



# 2017 Sustainability Report Conference Call

June 12, 2018



Both these slides and the accompanying oral presentation contain certain 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. Forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Teck to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements include statements relating to our growth potential, benefits of sustainability, expectations regarding commodity supply deficits and demand, our sustainability strategy and goals including our goal to cut emissions by 450,000 tonnes by 2030, the belief that Teck is well positioned for growth in a low-carbon economy, the goals and benefits of our approach to water governance, amount of investment to construct water treatment facilities, potential benefits of smart shovels, including potential to add significant free cash flow at Highland Valley Copper operations, savings and benefits associated with BMM, and our goals for relationships with Indigenous Peoples and inclusion and diversity.

These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially. These statements are based on a number of assumptions, including, but not limited to, assumptions regarding the implementation and effectiveness of technology intended to achieve our sustainability goals and ability to meet those goals. Events or circumstances could cause actual results to differ materially. Factors that may cause actual results to vary include, but are not limited to: factors noted in the various slides and oral presentation, consequences of climate change, changes in laws and governmental regulations or enforcement thereof, uncertainties relating to the development and use of new technology, and the future operation and financial performance of the company generally.

We assume no obligation to update forward-looking statements except as required under securities laws. Further information concerning assumptions, risks and uncertainties associated with these forward-looking statements and our business can be found in our most recent Annual Information Form, as well as subsequent filings of our management’s discussion and analysis of quarterly results, all filed under our profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on EDGAR ([www.sec.gov](http://www.sec.gov)).

## Strong Execution

- Premier operating assets
- Proven track record
- Enhancing profitability

## Solid Financial Position

- Significant liquidity
- Strong cash flow

## Disciplined Capital Allocation

- Debt reduction accomplished
- Asset portfolio optimization
- Strong history of returning cash to shareholders
- Attractive growth potential

## Foundation of Sustainability



## Products for a Better World

- Reduced risk of operation disruption
- Efficient project approvals
- Increased access to capital, cost savings and productivity
- Meet rising supply chain expectations
- Higher financial returns than benchmark indexes
- Employee retention and recruitment
- Brand value and reputation

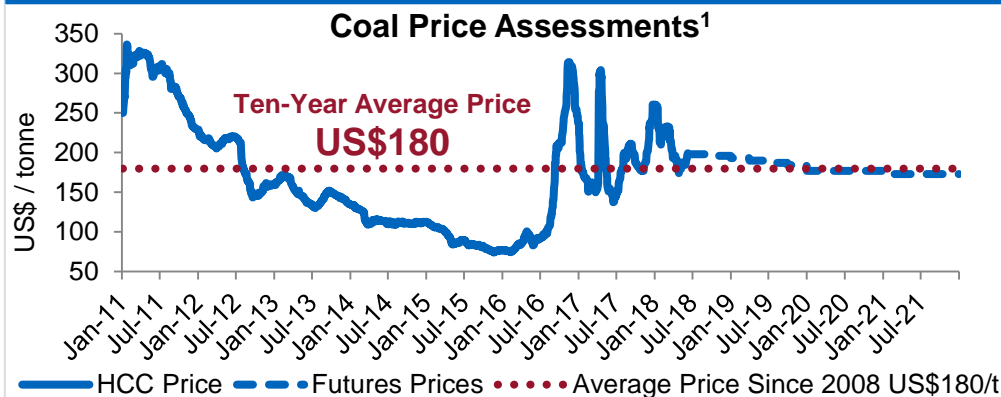


# The Right Commodities at the Right Time

## Steelmaking Coal

Outperforming market expectations

- Average steelmaking coal price over past 10 years US\$180/tonne; US\$197/tonne in real terms<sup>1</sup>
- Forward curve >US\$170/tonne through 2021<sup>1</sup>



## Zinc

Structural deficit  
set to continue



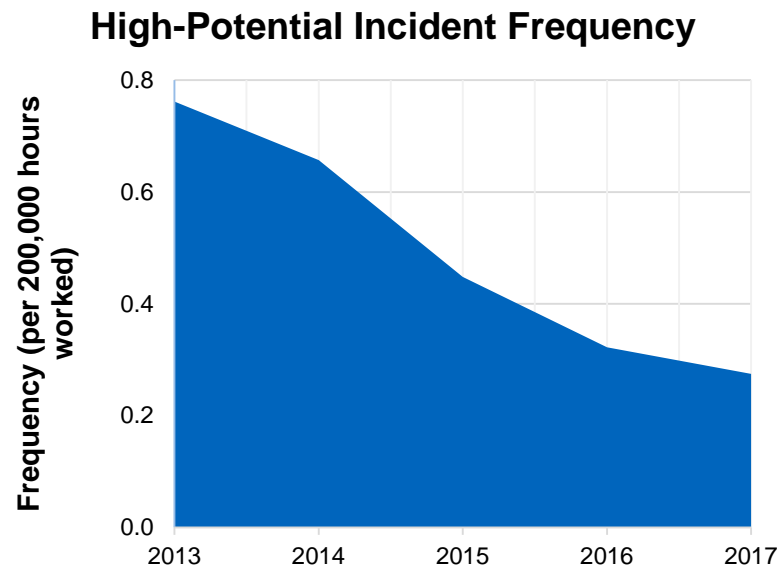
## Copper

Mine production  
to peak in 2020  
& structural deficit  
to emerge



HCC price is based on the negotiated annual benchmark price from January 1, 2008 to April 13, 2010 and the Argus Premium HCC FOB Australia assessments from April 14, 2010, in US dollars. Steelmaking coal prices for the past ten years are calculated from January 1, 2008. Inflation-adjusted prices are based on Statistic Canada's Consumer Price Index. Source: Argus, Teck. Plotted to June 8, 2018.

- Safety performance in 2017
  - 14% reduction in High-Potential Incidents
  - 12% decrease in Total Recordable Injury Frequency
  - 14% decrease in Lost-Time Disabling Injury Frequency
- Advanced High-Potential Risk Control strategy and fourth phase of Courageous Safety Leadership training



64% reduction in High-Potential Incident Frequency rate over past five years

## Major Commitments

- International Council on Mining and Metals 10 Principles and Position Statements for Sustainable Development
- United Nations Global Compact
- Mining Association of Canada Towards Sustainable Mining program
- Council for Clean Capitalism
- Carbon Pricing Leadership Coalition
- UN Sustainable Development Goals

## Recent Recognition



- Strong sustainability performance enabled by a strategy built around developing opportunities and managing risks
- Implementing a sustainability strategy with short-term, five-year goals and long-term goals stretching out to 2030

*Goals cover the six areas of focus representing the most significant sustainability issues and opportunities facing our company:*



Community



Water



Our People



Biodiversity



Energy and  
Climate Change



Air



## Five Sustainability Questions

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How is Teck positioned for continued growth in a low-carbon economy?

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# Diversified Product Mix for Low-Carbon Economy

Teck



## Steelmaking Coal

Steel, and the steelmaking coal used to make it, is required for everything from clean energy projects like wind or solar power to transportation alternatives like rapid transit, buses and hybrid vehicles.



## Copper

Copper plays an important role in meeting the world's growing demand for infrastructure and is a vital component in power generation and transmission, construction, clean technology and electronics.



## Zinc

Zinc protects steel by improving its durability. The primary uses of zinc are for galvanizing steel to protect against weather and corrosion, for producing brass and bronze, and in die-casting to produce a wide range of metal products. And it is an essential nutrient in human development and disease prevention.

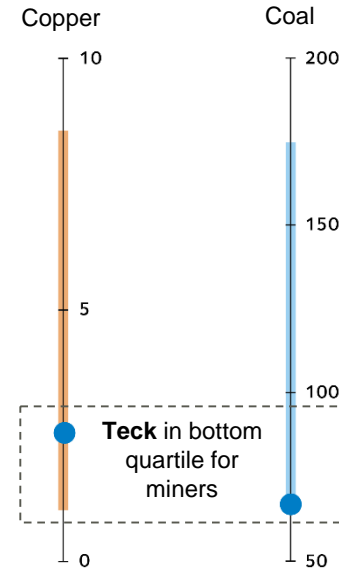


## Energy

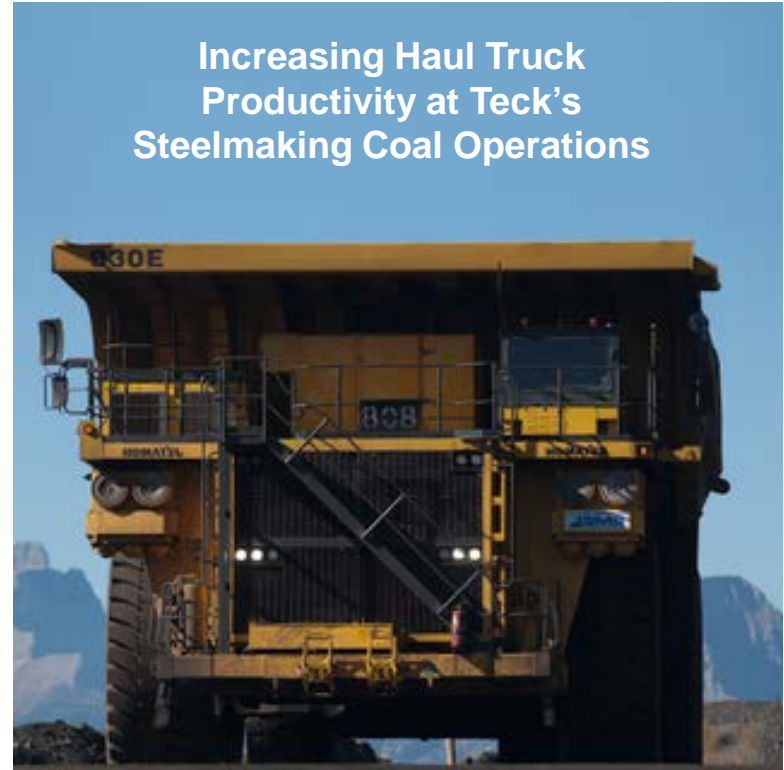
As populations around the globe — particularly in developing nations — grow and become increasingly urbanized, the demand for responsibly-produced energy is increasing.

- Among world's **lowest GHG intensity for steelmaking coal and copper** production
- Fort Hills – one of the **lowest carbon intensities** among North American oil sands producers
- **Progressive carbon pricing** already built into majority of business
- **Well-positioned** for a low-carbon economy

**Figure 1: GHG Emissions Intensity Ranges Among ICMM Members**  
kgCO<sub>2</sub>e per t product



- Reduced GHG emissions by ~281 kt since 2011
- Goal to cut emissions by 450 kt by 2030
- Advocating for climate action – member of Carbon Pricing Leadership Coalition
- Recently released Climate Action and Portfolio Resilience report



## Five Sustainability Questions

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How is Teck addressing challenges around water use and water quality?

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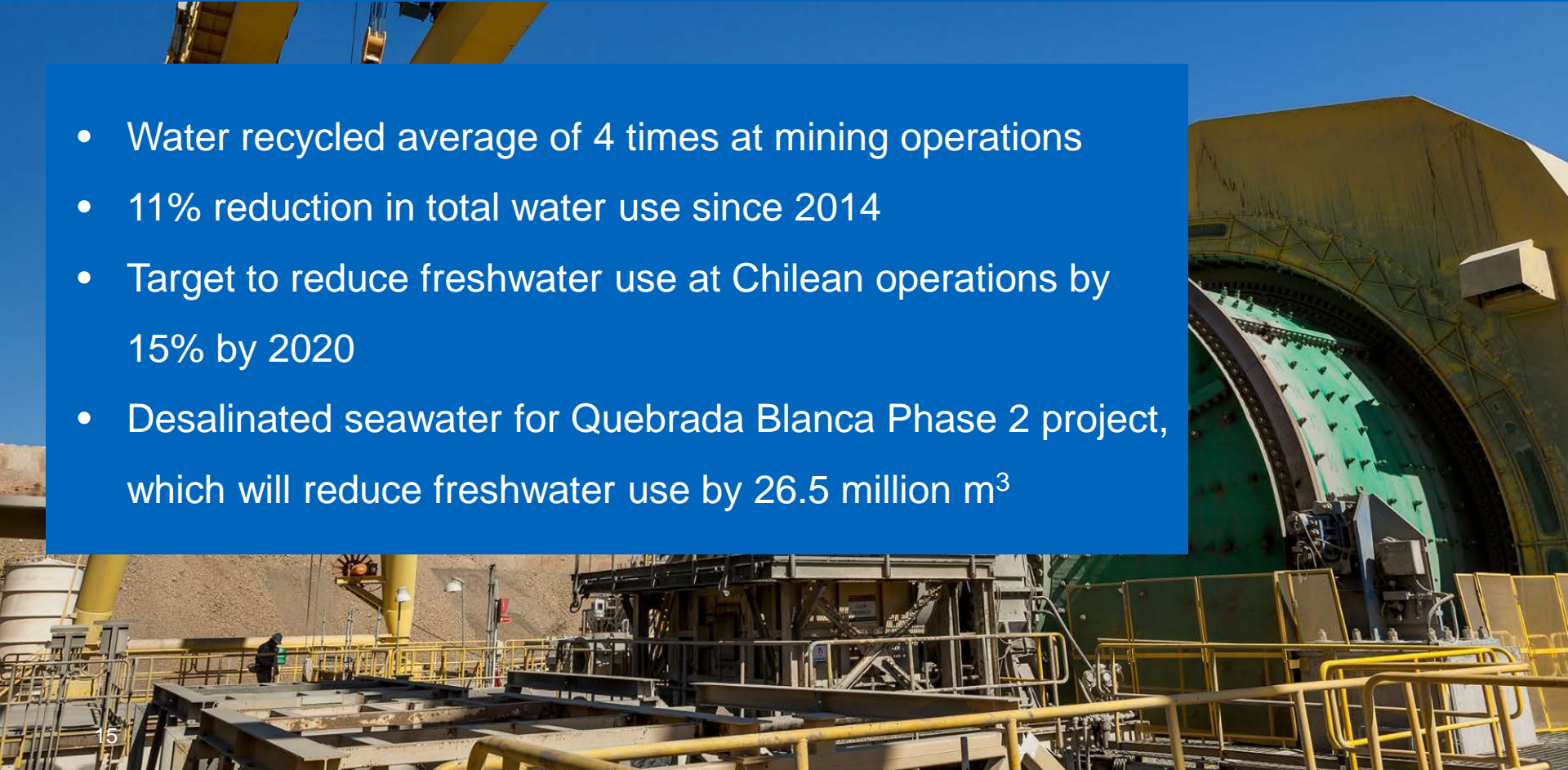
- Published new [Water Policy and Governance Framework](#) in November 2017
- Site-based [water management plans](#) with targets to improve our performance
- Protecting [water quality](#), improving [water efficiency](#) and collaborating to ensure [fair allocation of water](#)





# Reducing Freshwater Use

- Water recycled average of 4 times at mining operations
- 11% reduction in total water use since 2014
- Target to reduce freshwater use at Chilean operations by 15% by 2020
- Desalinated seawater for Quebrada Blanca Phase 2 project, which will reduce freshwater use by 26.5 million m<sup>3</sup>



## Implementing Elk Valley Water Quality Plan:

- **Comprehensive water quality plan** developed with government, Indigenous Peoples and communities
- Investing \$850-900 million between 2018-2022 to construct water treatment facilities
- **Ground-breaking R&D** program to identify new treatment technologies



## Five Sustainability Questions

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What is Teck doing to manage risks related to human rights and particularly the rights of Indigenous Peoples?

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# Lower-Risk Jurisdictions, Comprehensive Assessments

- All operations in countries with **well-developed mining industries**: Canada, United States, Chile
- Robust **regulatory regimes and rule of law** in place
- **Strong foundation** for protection of human rights
- Human rights **assessments conducted at all operations**





- Agreements in place at [all mining operations](#) within or adjacent to Indigenous Peoples' territories
- Creates a [framework for greater cooperation](#) and addresses the full range of our activities, from exploration through to closure
- Often includes details on:  
[consultation and engagement](#);  
[environment and land stewardship](#);  
[employment and business opportunities](#)



## Five Sustainability Questions

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What is Teck doing to improve inclusion and diversity across the business?

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# The Business Case for Diversity



In 2017, women accounted for 17% of the mining labour force in Canada<sup>1</sup>

Closing this gap can have significant business and social benefits

Companies in the top quartile for gender diversity are 15% more likely to have financial returns above their respective national industry medians<sup>2</sup>



1: Canadian Mining Labour Market Outlook 2017. Mining Industry Human Resources Council. ([https://www.mihr.ca/pdf/publications/National-Report-2017\\_EN\\_WEB.pdf](https://www.mihr.ca/pdf/publications/National-Report-2017_EN_WEB.pdf))

2: Why Diversity Matters, McKinsey and Company, 2015.

- Inclusion and Diversity Policy launched in 2016 by our Executive Diversity Committee
- Women comprised 29% of total hires in 2017
- Teck-wide Gender Pay Equity Review conducted showing no systemic gender pay issue



## Five Sustainability Questions

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How is Teck deploying new technologies to improve sustainability performance?

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## Productivity

- Equipment automation
- Ore sorting technology
- Digitally-enhanced operator performance
- Predictive maintenance
- Improving grade and processing



## Safety

- Fatigue monitoring systems
- Collision avoidance monitors
- Remote & autonomous mobile equipment
- Wearable OH&S systems



## Sustainability

- Ore sorting to reduce energy use and tailings
- Water management technologies
- Dust management
- Digital community engagement



## Growth

- Exploration tech: hyperspectral core scanning
- Growing markets through new product uses
- Partnering with game-changing innovators

Digital Foundation

## Value potential

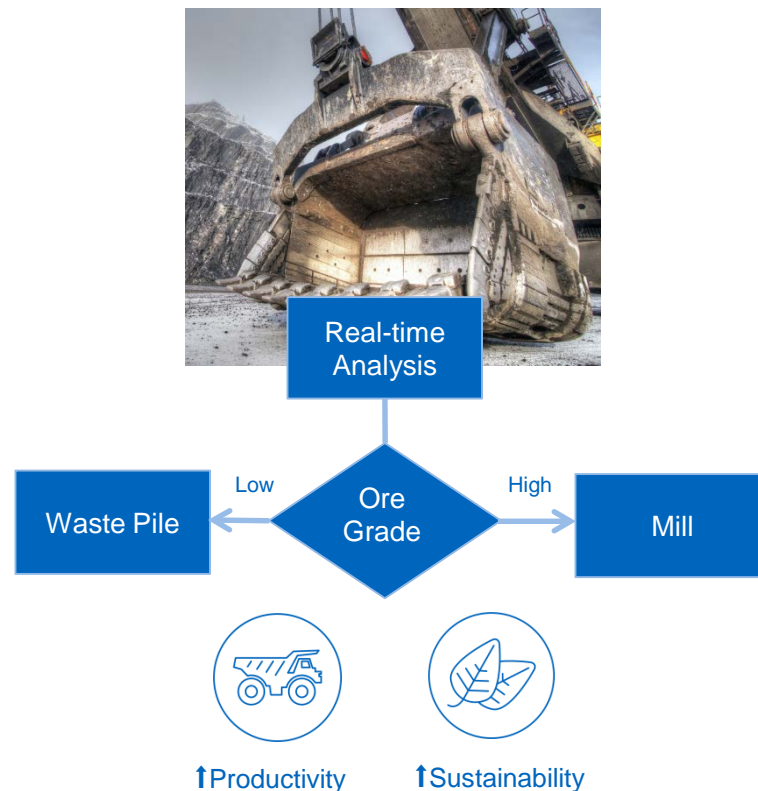
- Increased grade to mill
- Potential to add significant free cash flow at HVC
- Reduced energy use and tailings; improved sustainability performance

## Maturity

- Currently being piloted by Teck

## Milestones

- Pilot launched in 2017
- First ever use of ore sorting technology on a shovel
- Assessing Red Dog deployment in 2018
- Opportunity to replicate and scale up across operations



## Value potential

- Reduced processing costs
- Improved productivity; at Red Dog alone, BMM savings an estimated \$6.5 million annually
- Enhanced environmental performance; reduced energy and emissions to air

## Maturity

- Currently being implemented by Teck

## Milestones

- First launched at Red Dog Operations
- Currently being implemented at Red Dog, Highland Valley Copper and Carmen de Andacollo Operations



↑Productivity



↑Sustainability



- Improving our sustainability performance with a focus on [safety, GHG reductions, water treatment and agreements with Indigenous Peoples](#)
- Reviewing and [updating our sustainability strategy](#) – both short-term and long-term goals
- Sustainability Information for Investors including the [new Sustainability Report](#) available on [teck.com](http://teck.com)



# Questions?

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