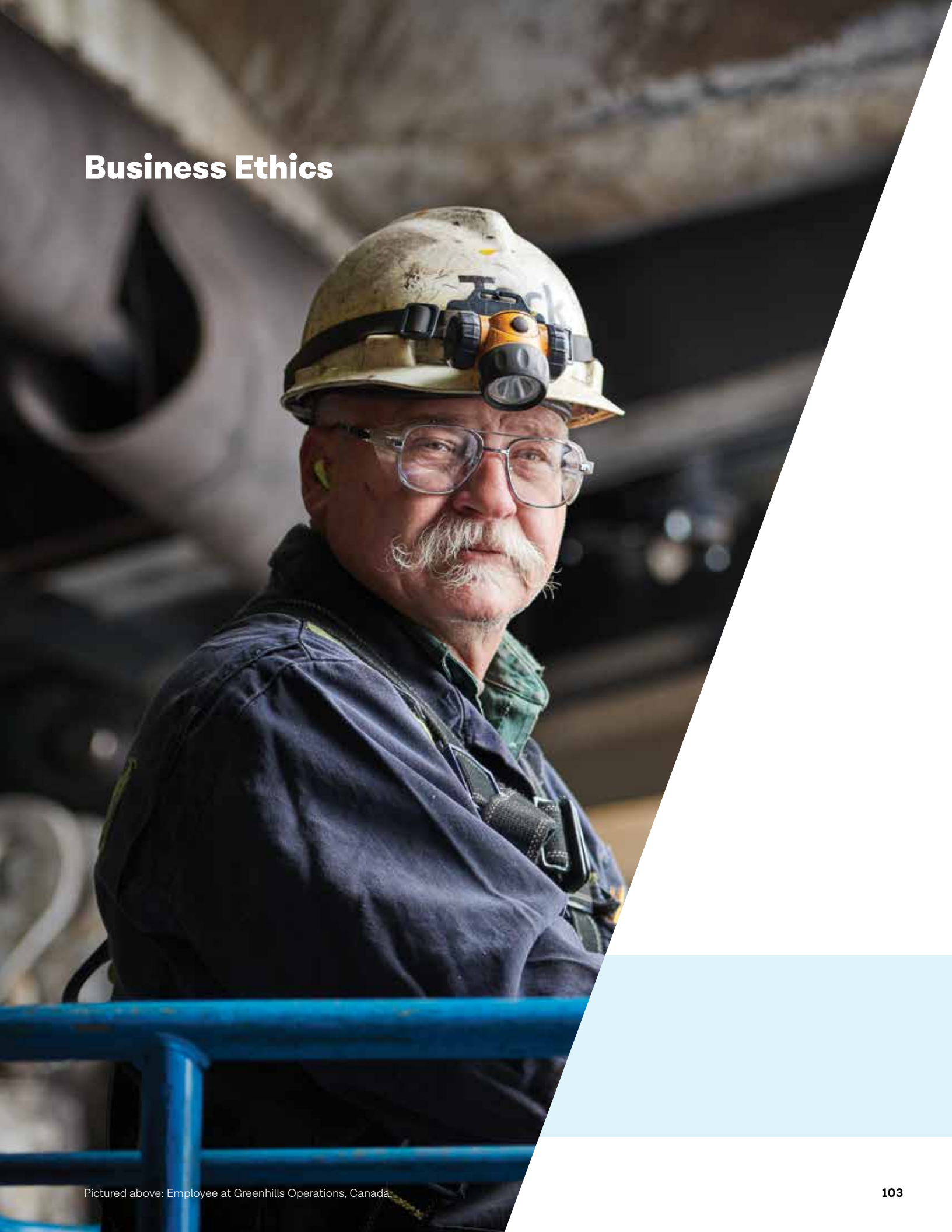


Business Ethics



Pictured above: Employee at Greenhills Operations, Canada.

Business Ethics

Populism and economic nationalism have increased, due to growing public concerns over corruption, tax evasion and illegal financial flows.³¹ Businesses are also experiencing increasing legal requirements associated with anti-corruption and tax transparency. Transparency and accountability that foster good governance are therefore vital for businesses to succeed in the current context.

Industry context

As a global industry that operates in a wide range of jurisdictions, including underdeveloped and developing countries, business ethics and anti-corruption are a major focus for the mining industry. Maintaining open and transparent communications with governments and regulatory parties is essential to mitigating risk and responding to future regulatory changes, and to forming good and transparent relationships with government entities, agents and intermediaries.

Teck context

We focus on being a collaborative, solutions-based partner with governments in the jurisdictions where we work. We regularly engage with governments on regulatory and public policy initiatives, primarily focused on maintaining and enhancing the competitiveness of our industry as well as its sustainability. In 2019, our public policy engagement focused on advocacy for actions to address climate change, innovation, socio-economic initiatives, conservation and environmental management, and Indigenous Peoples, among other topics.

GRI Indicators and Topic Boundary

102-17, 203-2, 205-1, 205-2, 415-1

This topic is considered most material by our shareholders, employees, contractors and suppliers, local communities and regulators in the context of all Teck sites and contractor selection/management.

How Does Teck Manage This Topic?

Information about how we manage business ethics, including relevant policies, management practices and systems, is available for download on our website.

2019 Highlights

In partnership with First Nations, the Government of Alberta and industry peers, helped **establish the 166,110 hectare Kitaskino Nuwenënë Wildland Provincial Park**, preserving critical habitats for at-risk species.

Published third annual Economic Contribution Report, providing transparency on our payments and contributions where we operate.

Our Performance in Business Ethics in 2019

Our Commitments

Our Code of Sustainable Conduct requires employees and contractors to comply with applicable laws and regulations and with all Teck policies and standards. We are committed to upholding high moral and ethical principles, as affirmed in our Code of Ethics. Our approach to taxation is aligned with our Code of Ethics and our approach to business and sustainability. We are, in all tax matters, compliant, transparent, cooperative and ethical, as outlined in our Tax Policy.

As outlined in our Political Donations Policy, Teck does not make use of corporate resources, including funds, goods, property or services, for the purpose of contributing to a

political party or any individual candidate seeking election at any level of government.

These policies provide clear guidance around how we should conduct our business and set standards on topics such as bribery and corruption, sponsorships and donations, conflicts of interest, confidentiality, and data privacy and third-party due diligence. While Teck's business practices must consider the local customs of the communities in which we operate, our business practices are fundamentally based on honesty, integrity and respect.

Doing What's Right Program

Our employees have a duty to report any violations, or potential violations, of our Code of Ethics through our *Doing What's Right* program, which includes a whistle-blower hotline and web portal that are managed by a third party. The hotline is available in all relevant languages in the countries where we operate. We do not tolerate any form of retaliation against employees raising concerns.

Through this program, we received 48 reports of alleged violations of our Code of Ethics in 2019. The areas for which we received the greatest number of reports were in relation to employee relations (34%), policy issues (15%) and safety (11%). Of these 48 cases, 28 were closed following investigation or were closed on the basis that no investigation was necessary. The remaining 20 cases are still under investigation. No criminal cases regarding bribery were brought against Teck or any of its affiliates in 2019, 2018 or 2017.

Anti-Corruption

All operations and business activities are assessed for risks related to corruption and internal audits are conducted on a periodic basis to assess compliance with our Anti-Corruption Policy. No new significant risks associated with corruption were identified through these assessments.

The Internal Audit department reports to the Audit Committee on a quarterly basis on any cases of fraud identified, other than those reported through the whistle-blower hotline. Zero such instances of fraud were reported to the Audit Committee during 2019 and we had no involvement in any investigations regarding alleged breaches of competition laws.

Teck’s Anti-Corruption Policy supplements the Code of Ethics and reinforces Teck’s commitment to anti-corruption, which is an integral part of employees’ performance appraisals. While select employees are required to certify that they have read and understood these policies and standards and that nonconformity would lead to disciplinary action, they also undergo anti-corruption training at least every two years. We have criteria in place to determine which employees are required to complete anti-corruption training based on location, engagement with government and a number of other factors. Based on this criteria, 1,445 employees were required to participate in anti-corruption training in 2018 and 2019, and over 99% of those employees have completed the training. The following tables provide more information about training on anti-corruption policies and procedures.

Teck expects its supply chain partners to also adhere to the same fundamental principles, including those relating to legal compliance, fairness, and honesty and anti-corruption, which are outlined in Teck’s Expectations for Suppliers and Contractors.

Public Policy Initiatives

We focus on being a collaborative partner with governments in the jurisdictions where we work and we regularly engage in public policy initiatives that support the competitiveness and sustainability of our industry. In 2019, we engaged with governments on several public policy and regulatory initiatives of relevance to Teck.

Environmental Initiatives

Providing input into government reviews of environmental assessment and regulatory processes: Teck contributed detailed recommendations into government-led reviews relating to the Government of Canada’s *Impact Assessment Act* and the B.C. Government’s *Environmental Assessment Act*. Our advocacy focused on ensuring that the final design of the legislation and associated regulations are clear, robust and fair, and that they enable continued responsible natural

Table 37: Number of Employees Who Have Received Training in Anti-Corruption During the 2018/2019 Training Cycle

Country	Number of Employees
Canada	896
United States	154
Chile	291
Total	1,445

Other locations (China, Australia, Ireland, Mexico, Namibia, Peru, Turkey and Japan) included 104 employees trained.

Table 38: Governance Body⁽¹⁾ Members Who Have Received Training in Anti-Corruption

Region	Number	Percentage
Canada	1	7%
United States	0	0%
Chile	0	0%

(1) Governance body members is interpreted as the Board of Directors at Teck.

resource development in Canada. Our related advocacy efforts also included submitting recommendations to the Government of Canada for its review of regulatory changes to the *Fisheries Act*.

Supporting effective climate change policies: Teck continued advocating to governments across Canada for policies that support the transition to a lower-carbon economy while ensuring the competitiveness of Canadian emissions-intensive, trade-exposed (EITE) sectors. We submitted detailed recommendations to the Government of Canada, the B.C. Government and the Alberta Government in support of climate action policies that are designed to address, not imperil, the competitiveness challenges that come from a global trade environment that has uneven climate change policies. Included in this support has been Teck’s co-chair role on the B.C. Climate Solutions and Clean

Growth Advisory Group and Teck's contributions to designing the federal Clean Fuel Standard, the B.C. Low Carbon Industrial Strategy and Alberta's Technology Innovation and Emissions Reduction system.

Advancing the development of Canada's Coal Mining

Effluent Regulations: Teck remained actively engaged in the review process for the draft regulations through 2019. For Teck, the final design of these regulations is critical for long-term planning for our steelmaking coal operations in Western Canada. We will continue to participate in the review and dialogue process with the Government of Canada in 2020 to help ensure the regulations are well-designed and science-based.

Progressing biodiversity and wildlife management

initiatives: Teck is committed to supporting biodiversity and wildlife in the areas where we operate. As part of this commitment, we supported actions by the Government of Canada, the B.C. Government and the Alberta Government on developing effective ways to assist with the protection and recovery of local caribou populations and securing additional land for caribou habitat. We also supported the Government of Canada's amendments to *Migratory Birds Convention Act* regulations that are intended to benefit bird species across Canada.

Making significant progress in reaching transboundary

water quality objectives: Teck continued making progress towards achieving the objectives of the Elk Valley Water Quality Plan, which is a long-term approach to addressing the management of selenium and other substances released by mining activities in B.C. We worked with federal, provincial and state governments in Canada and the U.S. towards our goal of stabilizing and reversing the trend of these substances to ensure the ongoing health of the Canada-U.S. transboundary waterway, while at the same time allowing for continued sustainable mining in the region.

Collaborating towards a revised B.C. mine reclamation

security policy: Teck collaborated with the B.C. Government in its review of the provincial mine reclamation security policy. We will continue to work with the B.C. Government and interested parties in 2020 to ensure the revised financial security requirements are practical and fair.

Socio-Economic Initiatives

Advocating for cost competitiveness: Teck continued to engage the Government of Canada, the B.C. Government and the Alberta Government to address cost-competitiveness issues relating to carbon taxation, rising costs in electricity, the ongoing administrative inefficiencies around the provincial sales tax, transportation costs, and other federal and provincial tax and regulatory measures. This engagement included membership on the B.C. Mining Jobs Task Force, which submitted detailed, consensus-based recommendations to the B.C. Government on improving mining sector competitiveness, the federal Economic Strategy Table for

Resources of the Future, and various government-led technical committees and working groups.

Rebalancing the shipper-railway relationship in Canada:

Teck continued to advocate for changes to Canada's transportation legislation and regulations for enabling a transparent, fair and efficient rail freight regime that meets the needs of all users. As Canada's single largest rail user, Teck advanced recommendations to the Government of Canada aimed at enhancing the performance and reliability of Canada's rail system to ultimately rebalance the shipper-railway relationship. We actively engaged in dialogue on the legislative changes made to the *Canada Transportation Act* and the associated regulations.

Ensuring the competitiveness of Canada's ports:

Teck is a leading commodity exporter from Canada's Pacific coast ports, and our export competitiveness depends on port infrastructure and service levels that are reliable, cost-effective and efficient. As such, we communicated our concerns to the Government of Canada about the non-competitive business environment relating to Canadian port infrastructure, as well as the need to ensure that competitiveness considerations inform decision-making as it relates to port ownership structures. We also joined industry peers in communicating concerns to the B.C. Government about potential changes that would affect port taxation competitiveness.

Enhancing trade relations with key export markets:

We continued to work with the Government of Canada in enhancing relationships with key export destinations, primarily in Asia and the United States. This included advocating for the ratification and implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and encouraging progress towards finalizing the United States-Mexico-Canada Agreement.

Collaborating on heavy fuel oil carriage ban in the Arctic:

Teck and NANA worked with the U.S. Coast Guard and the U.S. Department of Transportation, requesting a gradual and responsible time frame for the shipping industry to make the transition away from heavy fuel oil ships to diesel distillates, thereby avoiding negative economic impacts on the local, regional and state economy.

Reviewing potential for amendments to U.S. mining

legislation: Teck continued to review where potential changes could be made to federal U.S. mining legislation affecting how mineral rights are secured on federal lands and how these lands can be used for activities ancillary to mining, including community and recreational activities. This review of federal legislation will continue in 2020.

Innovation Initiatives

Working with governments to foster more innovation

in mining: Teck actively pursued government initiatives to advance innovation in our operating jurisdictions, including continuing to work with Canada's Digital Technology

Supercluster (under the federal Innovation Supercluster Initiative) as a Founding Member. We also engaged with the Government of Canada and the B.C. Government on fostering more innovation in Canada's mining sector, including contributing ideas to the Canadian Minerals and Metals Plan as well as the development of a BC Mining Innovation Road Map.

Inclusion and Diversity Initiatives

Advancing reconciliation objectives with Indigenous Peoples: In Canada, Teck continued advancing reconciliation objectives through our participation in the BC Assembly of First Nations–Business Council of BC Champions Table, through ongoing work with Reconciliation Canada, and through active engagement and support for various government legislative reviews and initiatives that included Indigenous components, such as the federal *Impact Assessment Act* and the B.C. *Environmental Assessment Act*. We also supported the B.C. Government's Bill 41 – the *Declaration on the Rights of Indigenous Peoples Act* – which relates to establishing a new legal framework for advancing reconciliation.

Advancing Inclusion and Diversity in Chile: Teck participated and supported several workshops and events to promote inclusion and diversity, including the Asia-Pacific Economic Corporation 2019 workshop "Participation of Women in the Mining Industry", the International Forum on Gender Equality in the Extractive Sector, and the official launch of a short story initiative on women empowerment that resulted in over 1,600 entries and an online book publication. Teck is represented by the Vice President, Sustainability and Corporate Affairs on the National Mining Association of Chile's (SONAMI) Board of Directors for 2020

to 2022. SONAMI was founded in 1883 to support the development of Chile's mining sector, to represent the interests of the mining sector before the government and National Congress of Chile, and to engage government and elected officials on environmental, tax, economic, labour and legal matters.

Contributions to Industry Associations

We believe it is important to engage with industry associations to advance research, share best practices and contribute to improving the regulatory systems and industry performance across the extractive sector and beyond. There can be a wide range of views within the membership of each association and, as members, we may not always agree with every position or approach. This is especially the case when the association's membership is large and the mandate is broad, covering a wide range of issues. This diversity of perspectives creates a rich and full debate.

When disagreement arises, Teck may provide greater clarity on our own positions and activities with policy-makers, work with the association to understand alternative points of view and to seek common ground for progress, consider our ability to influence on policies or perspectives of the organization, or ultimately consider whether or not to continue participating the association.

Our three largest contributions in 2019 were to the International Copper Association (\$1.4 million), the World Economic Forum (\$0.7 million), and the International Council on Mining and Metals (\$0.6 million). For more information on associations to which Teck pays annual memberships fees of \$50,000 or more, visit Memberships and Partnerships on our website.

Case Study: Working with Indigenous Peoples to Establish the Kitaskino Nuwenënë Wildland Park

In the early stages of Teck's relationship building in the Athabasca region of Alberta, Mikisew Cree First Nation and other Indigenous groups emphasized the importance of the region to their rights, culture and well-being, and their desire to create a buffer zone to further protect Wood Buffalo National Park. This provided an opportunity for Teck to support the Mikisew Cree First Nation to advocate for their vision of protecting this culturally and ecologically significant land. Starting in 2016, Teck provided capacity, resources and experience in progressing land conservation initiatives. As a result of

this collaborative work, in March 2019, Kitaskino Nuwenënë, which means "our land" in both Cree and Dene, was born. The Kitaskino Nuwenënë Wildland Park is a 166,110-hectare provincial park in northern Alberta that is roughly 10 times the area of the city of Vancouver. The park contributes to the largest continuous area of protected boreal forest in the world, preserves critical habitats for at-risk species including bison as well as woodland caribou, and safeguards Indigenous Peoples' traditional uses of these lands. Read the full case study at www.teck.com/news/stories/.

Commitment to Transparency

Teck publicly reports on payments to governments in the countries where we operate, as required under the Canadian *Extractive Sector Transparency Measures Act* (ESTMA). These payments include taxes, royalties and other payment types, by country and on a project-by-project basis, in relation to the commercial development of oil, gas and minerals. See our ESTMA disclosure on the Annual Public Filings Archive page on our website.

Teck publishes an annual voluntary Economic Contribution Report to complement and enhance our ESTMA disclosure. This report, first published in 2017, demonstrates our overall value generation in the areas where we operate through

wages and benefits, payments to contractors and suppliers, community investment, payments to governments and other payments. See our Economic Contributions page on our website for more information.

We also engage in and support the work being done to fight financial corruption by supporting relevant international frameworks such as the Extractive Industries Transparency Initiative (EITI). We participate in the EITI through our ICMM membership.

Outlook for Business Ethics

Teck remains committed to upholding high moral and ethical principles as affirmed in our Code of Ethics. We will continue to be compliant, transparent, cooperative and ethical in all matters, and meet our reporting requirements. Our focus for 2020 will be on the continuation of our *Doing What's Right* and anti-corruption programs and engagement in related public policy initiatives. We will also continue to expand the application of our anti-corruption and Code of Ethics training programs to projects as they advance.