# Teck 2023 CDP Water Security Response



This document contains Teck's 2023 CDP Response, as submitted by Teck to CDP in July 2023. This CDP Response has not been updated to reflect information or events following submission. This CDP Response contains certain forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to as forward-looking statements). These statements relate to future events or our future performance. All statements, other than statements of historical fact, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those included in such forward-looking statements. These forward-looking statements include, but are not limited to, statements concerning:

- ·our strategies, objectives, targets and goals;
- •our expectation that our dependency on freshwater will reduce, and our dependency on lower qualities of water will increase, as new operations are constructed;
- •our expectation that our desalination plant at QB2 will permit us to limit our use of fresh water;
- ·forecasted water uses, withdrawals and discharges;
- •our intention to implement GISTM at all of our tailings facilities;
- our climate change strategy;
- ·our financial and operating objectives;
- •anticipated water-related risks and opportunities and the anticipated financial, reputational, environmental, social, or legal impact thereof;
- ·all scenario analysis; and
- •general business and economic conditions.

Inherent in forward-looking statements are risks and uncertainties beyond our ability to predict or control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this CDP Response. The water-related risks and opportunities identified herein may never occur and any anticipated financial, reputational, environmental, social, or legal impacts thereof may differ significantly from those contemplated herein. All forward-looking statements in this CDP Response are based on a number of assumptions that may prove to be incorrect.

These statements speak only as of the date the CDP Response was submitted in July 2023 and may not reflect Teck's current position on these matters. Except as required by law, we undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise.

Further information concerning risks and uncertainties associated with these forward-looking statements and our business, including, but not limited to, our climate-related and sustainability disclosure, can be found in our most recent Annual Information Form, filed under our profile on SEDAR+ (http://www.sedarplus.com) and on EDGAR (http://www.sec.gov) under cover of Form 40-F, as well as subsequent filings that can be found under our profile and also in Teck's most recent Sustainability Report. For additional climate-related disclosures, including Teck's TCFD-aligned Climate Change Outlook 2021 Report, and other sustainability resources, please see Teck's Sustainability Disclosure Portal (https://www.teck.com/sustainability/approach-to-responsibility/sustainability-report-and-disclosure-portal/).

### **Teck Resources Limited - Water Security 2023**

W0. Introduction

#### W0.1

#### (W0.1) Give a general description of and introduction to your organization.

Teck is a leading Canadian company committed to responsible mining and mineral development with business units focused on copper, zinc, steelmaking coal, and energy. Headquartered in Vancouver, British Columbia (B.C.), Canada, we own or have interests in 8 operating mines, a large metallurgical complex, and several major development projects in the Americas. We have expertise across a wide range of activities related to exploration, development, mining and minerals processing, including smelting and refining, health and safety, environmental protection, materials stewardship, recycling and research.

Our corporate strategy is focused on exploring for, developing, acquiring and operating world-class, long-life assets in stable jurisdictions that operate through multiple price cycles. We maximize productivity and efficiency at our existing operations, maintain a strong balance sheet, and are nimble in recognizing and acting on opportunities. The pursuit of sustainability guides our approach to business, and we recognize that our success depends on our ability to ensure safe workplaces, collaborative community relationships and a healthy environment.

#### W-MM0.1a/W-C00.1a

# (W-MM0.1a/W-C00.1a) Which activities in the metals and mining and coal sectors does your organization engage in?

| Activity   | Details of activity                             |  |  |  |
|------------|---|--|--|--|
| Mining     | pper  |  |  |  |
|            | Zinc  |  |  |  |
|            | Lead  |  |  |  |
|            | Other mining, please specify (Steelmaking coal) |  |  |  |
| Processing | Zinc  |  |  |  |
|            | Lead  |  |  |  |

#### W0.2

### (W0.2) State the start and end date of the year for which you are reporting data.

|                | Start date     | End date         |
|----------------|----------------|------------------|
| Reporting year | January 1 2022 | December 31 2022 |

| (W0.3) Select the countries/areas in which you operate.  |                                    |
|--|------------------------------------|
| Canada<br>Chile  |                                    |
| United States of America   |                                    |
|  |                                    |
| W0.4   |                                    |
| (W0.4) Select the currency used for all financial information disclosed t  | hroughout your response.           |
|  |                                    |
| W0.5   |                                    |
| (W0.5) Select the option that best describes the reporting boundary for which water impacts on your business are being reported. | companies, entities, or groups for |
| Companies, entities or groups over which operational control is exercis  | sed                                |
| W0.6   |                                    |
|  |                                    |
| (W0.6) Within this boundary, are there any geographies, facilities, water your disclosure?                                       | aspects, or other exclusions from  |
| Yes  |                                    |
|  |                                    |

#### W0.6a

#### (W0.6a) Please report the exclusions.

| Exclusion   | Please explain  |
|---|---|
| Water data for development projects, legacy properties, sites in care & maintenance, and sites where Teck is not the primary operator are not included. | Development projects, legacy properties, and sites in care & maintenance are not operational and use significantly less or no water compared to our operations (mines and smelters). Our performance metrics are related to performance of Teck-managed operations and do not include joint ventures. Therefore, data for joint ventures not operated by Teck is not presented unless otherwise stated. |

#### W0.7

### (W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

| Indicate whether you are able to provide a unique identifier for your organization. | Provide your unique identifier |
|---|--------------------------------|
| 1 - 2,  | TECKA.TO                       |
|   | TECKB.TO<br>TECK               |

#### W1. Current state

# (W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

|   | Direct use importance rating | Indirect use importance rating | Please explain   |
|---|------------------------------|--------------------------------|--|
| Sufficient<br>amounts of good<br>quality freshwater<br>available for use                        | Vital                        | Not very<br>important          | We rely on freshwater to process materials. For example, the metallurgical process of extracting ore requires water of adequate quality. Therefore, we are directly affected by the availability and quality of freshwater. In the future, we expect our dependency on freshwater to reduce as new operations are constructed that will either treat low quality water or use desalinated sea water for water supply. In 2022, we completed construction of a desalination plant at our Quebrada Blanca Phase 2 (QB2) project, which will allow us to limit fresh water use in this water-scarce region. |
|   |                              |                                | Regarding the indirect use of freshwater: we do not believe our key inputs, including energy from fuels and electricity, explosives, grinding media, and chemicals such as sulphuric acid and lime, are sourced from regions significantly exposed to risks to availability of good quality freshwater for use. The diversity of regions where these key inputs are produced also significantly reduce the associated water risks. We don't expect the importance rating to change in the future and we continue to improve our understanding of the water risks associated with our key inputs.         |
| Sufficient<br>amounts of<br>recycled, brackish<br>and/or produced<br>water available<br>for use | Vital                        | Not very<br>important          | We do currently use significant amounts of produced water to process materials. We demonstrate leadership in water stewardship by recycling significant amounts of water and minimizing our need for high quality freshwater. We do not expect the importance rating to change in the near future, but we expect our dependency on lower qualities of water to increase as new operations are constructed that will either treat low quality water or use desalinated sea water for water supply, in place of freshwater. In 2022, we completed construction of a desalination plant at                  |

| Direct use importance rating | Indirect use importance rating | Please explain   |
|------------------------------|--------------------------------|--|
|                              |                                | our Quebrada Blanca Phase 2 (QB2) project, which will allow us to limit using fresh water in this water-scarce region. |

### W1.2

# (W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

|                                   | % of sites/facilities/operations | Frequency of measurement | Method of measurement  | Please explain   |
|-----------------------------------|----------------------------------|--------------------------|--|--|
| Water withdrawals – total volumes | 100%                             | Monthly                  | Water withdrawals are monitored through a combination of direct monitoring and estimation from a hydrological model. | All of Teck's operations regularly measure water withdrawal volumes. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals using various flow monitoring equipment and approaches ranging from flow meters connected to telemetry equipment for continuous and remote access to handheld flow meters typically used on a monthly basis or more frequently, as needed. In addition, site-wide water balances have been developed at our operations to integrate the various flows monitored, inform water management decision making, and are maintained annually to provide a thorough under- |

|  | % of sites/facilities/operations | Frequency of measurement        | Method of measurement   | Please explain  |
|--|----------------------------------|---------------------------------|---|---|
|  |                                  |                                 |   | standing of water withdrawal volumes.   |
| Water withdrawals – volumes by source  | 100%                             | Monthly                         | Water withdrawals are monitored through a combination of direct monitoring and estimation from a hydrological model.  | Water withdrawals are monitored at all our sites at a frequency that corresponds to the materiality of the source. Material water source monitoring can vary from continuous to monthly. Monitoring includes using flow meters connected to telemetry equipment for continuous and remote access to handheld flow meters typically used on a monthly basis or more frequently, as needed. For sources that are not monitored insitu, Teck estimates volumes through site-wide water balance models and reports internally each month. |
| Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors] | 100%                             | Monthly                         | We measure moisture content in raw materials (ore and raw coal) at our mining operations. Entrained water can be calculated based on volumes of raw material and measured moisture content. | Entrained water is a minor component of the total water inputs. Entrainment is monitored frequently in our flotation operations in waterstressed areas to assist in planning for operational water resources.   |
| Produced water<br>associated with your<br>oil & gas sector<br>activities - total<br>volumes [only oil<br>and gas sector]                     | <not applicable=""></not>        | <not<br>Applicable&gt;</not<br> | <not applicable=""></not>   | <not applicable=""></not>   |
| Water withdrawals quality  | 100%                             | Monthly                         | Water withdrawals quality is measured though a combination of grab sam-   | The quality of water withdrawn for use at our operations is assessed and characterized in alignment with  |

|                                  | % of                        | Frequency of | Method of measurement   | Please explain   |
|----------------------------------|-----------------------------|--------------|---|--|
|                                  | sites/facilities/operations | measurement  |   |  |
|                                  |                             |              | ples sent to a lab and insitu monitoring.   | the two water quality categories defined by International Council on Metals and Mining Water Reporting Good Practice Guide. High-Quality Water has a high socio-environmental value with multiple beneficial uses and may require minimal to moderate treatment to meet appropriate drinking water standards. Low-Quality Water has lower socio-environmental value with lower potential for multiple beneficial uses, and that would require significant treatment to raise quality to appropriate drinking water standards. Our water withdrawals for use based on quality are reported corporately on a monthly and annual basis. |
| Water discharges – total volumes | 100%                        | Monthly      | Water discharges are monitored through a combination of direct monitoring and estimation from a hydrological model. | The total volume of water discharged from each of our facilities is monitored at all sites. Water discharges are monitored at all our sites at a frequency that corresponds to the materiality of the source. Material water source monitoring can vary from continuous to monthly. Monitoring includes using flow meters connected to telemetry equipment for continuous and remote access to handheld flow meters typically used on a monthly basis or more frequently, as needed. For sources that are not monitored in-situ, Teck estimates volumes through site-wide water balance models.                                      |

|  | % of sites/facilities/operations | Frequency of measurement | Method of measurement  | Please explain   |
|--|----------------------------------|--------------------------|--|--|
| Water discharges – volumes by destination      | 100%                             | Monthly                  | Water discharges are monitored through a combination of direct monitoring and estimation from a hydrological model.  | Water discharges are monitored through a combination of direct monitoring and estimation from a hydrological model.  Water discharges are monitored at all our sites at a frequency that corresponds to the materiality of the source. Material water source monitoring can vary from continuous to monthly. Monitoring includes using flow meters connected to telemetry equipment for continuous and remote access to hand-held flow meters typically used on a monthly basis or more frequently, as needed. For sources that are not monitored insitu, Teck estimates volumes through site-wide water balance models and reports internally each month. |
| Water discharges – volumes by treatment method | 100%                             | Monthly                  | Water discharges are monitored through a combination of direct monitoring and estimation from a hydrological model and then categorized by treatment type. | At each Teck operation (100% of operations) a robust water monitoring program is in place. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals using various flow monitoring equipment and approaches ranging from flow meters connected to telemetry equipment for continuous and remote access to handheld flow meters typically used on a monthly basis or more frequently, as needed. In addition, sitewide water balances have been developed at our operations to integrate   |

|   | % of sites/facilities/operations | Frequency of measurement | Method of measurement  | Please explain   |
|---|----------------------------------|--------------------------|--|--|
|   |                                  |                          |  | the various flows monitored, inform water management decision making, and are maintained at a minimum annually to provide a thorough understanding of water discharge volumes by treatment method.   |
| Water discharge<br>quality – by<br>standard effluent<br>parameters  | 100%                             | Monthly                  | Water discharge quality is measured though a combination of grab samples sent to a lab and in-situ monitoring. | Each Teck operation (100% of operations) regularly monitors discharge water quality. The effluent parameters monitored are site-specific.  Water quality sensors are used as applicable, and samples are also sent to laboratories for analysis using a range of analytical techniques, specific to the parameter being measured. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly. |
| Water discharge<br>quality – emissions<br>to water (nitrates,<br>phosphates,<br>pesticides, and/or<br>other priority<br>substances) | 100%                             | Monthly                  | Water discharge quality for priority substances is measured though grab samples sent to a lab.                 | Each Teck operation (100% of operations) regularly monitors discharge water quality. The effluent parameters monitored are site-specific and include relevant priority substances. Samples are sent to laboratories for analysis using a range of analytical techniques, specific to the parameter being measured. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly.                |

|   | % of sites/facilities/operations | Frequency of measurement | Method of measurement  | Please explain  |
|---|----------------------------------|--------------------------|--|---|
| Water discharge<br>quality –<br>temperature | 100%                             | Monthly                  | Temperature is measured using temperature sensors  | Each Teck operation regularly uses temperature sensors to monitor discharge water quality temperature for compliance with regulatory requirements. Water temperature monitoring frequency is primarily based on permit requirements.  |
| Water consumption  – total volume           | 100%                             | Monthly                  | Water consumption at our mining operations is attributed to a combination of water lost to evaporation and entrained in waste and products (eg. Tailings, coarse reject, concentrates) These volumes are calculated monthly in our water balance models based on measured parameters (temperature, moisture content) to achieve a water balance. | At each Teck operation a robust water monitoring program is in place. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals. In addition, site-wide water balances have been developed at our operations to integrate the various flows monitored, inform water management decision making, and are maintained at a minimum annually to provide a thorough understanding of water consumption volumes. |
| Water recycled/reused                       | 100%                             | Monthly                  | Flow is monitored using various flow monitoring equipment and approaches ranging from flow meters connected to telemetry equipment for continuous and remote access to handheld flow meters typically used on a monthly basis or more frequently, as needed.   | At each Teck operation a robust water monitoring program is in place. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals. In addition, site-wide water balances have been developed at our operations to integrate the various flows monitored, inform water management decision making, and are maintained annually to provide a   |

|   | % of sites/facilities/operations | Frequency of measurement | Method of measurement   | Please explain  |
|---|----------------------------------|--------------------------|---|---|
|   |                                  |                          |   | thorough understanding of water reuse/recycle volumes   |
| The provision of<br>fully-functioning,<br>safely managed<br>WASH services to all<br>workers | 100%                             | Monthly                  | Chemical analyses are completed using techniques and intervals specific to the local jurisdictions governing WASH-related requirements. | At each Teck operation WASH services are provided for all our workers and monitored regularly to ensure systems are fully and safely functioning. |

### W1.2b

# (W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

|                      | Volume<br>(megaliters/year) | Comparison<br>with previous<br>reporting year | Primary reason for comparison with previous reporting year | Five-<br>year<br>forecast | Primary<br>reason for<br>forecast | Please explain   |
|----------------------|-----------------------------|---|--|---------------------------|-----------------------------------|--|
| Total<br>withdrawals | 301654                      | Higher  | Other, please specify<br>(Increased river<br>flows)        | Higher                    | Facility<br>expansion             | In 2022 we reported an increase in total water entering our operations compared to 2021, primarily due to increased precipitation in some operating areas resulting in higher river flows. We expect our withdrawals to increase over time with the start of our QB2 operation, noting that this increase in withdrawal will primarily be seawater from the desalination plant rather than freshwater. |

|                     | Volume<br>(megaliters/year) | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Five-<br>year<br>forecast | Primary<br>reason for<br>forecast | Please explain  |
|---------------------|-----------------------------|---|--|---------------------------|-----------------------------------|---|
| Total<br>discharges | 235671                      | Higher                                  | Other, please specify<br>(Increased river<br>flows)        | About<br>the<br>same      | Facility<br>expansion             | In 2022 we reported an increase in total water leaving our operations compared to 2021, primarily due to increased precipitation in some operating areas resulting in higher river flows. We expect our discharges to increase over time with the expansion of our facilities.  |
| Total consumption   | 52904                       | Lower                                   | Increase/decrease in business activity                     | Higher                    | Facility<br>expansion             | n 2022, we reported a water consumption total that was lower than 2021 because less ore was processed in our copper operations and less coal was processed at our steelmaking coal operations resulting in less losses to entrainment. We expect our water consumption to increase over time with the start of our QB2 operation, noting that this increase in consumption will be desalinated seawater rather than freshwater. |

#### W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

|       | Withdrawals<br>are from<br>areas with<br>water stress | %<br>withdrawn<br>from areas<br>with water<br>stress | Comparison<br>with<br>previous<br>reporting<br>year | Primary reason for comparison with previous reporting year | Five-<br>year<br>forecast | Primary<br>reason for<br>forecast | Identification<br>tool | Please explain   |
|-------|---|--|---|--|---------------------------|-----------------------------------|------------------------|--|
| Row 1 | Yes   | 1-10   | About the same                                      | Other, please<br>specify (No<br>major<br>changes)          | Higher                    | Facility expansion                | WRI                    | Two of our operations are located in Chile in areas that are considered water stressed, per the WRI Aqueduct tool. The Aqueduct tool is a GIS based online platform that has a specific layer visually depicting current geographical water stress. The WRI Aqueduct tool has been used for several years for consistency given our operations are located around the world. The Aqueduct tool provides clear classification of the areas where Teck has operations, and the results also correspond to our local understanding of water stress. We define a site as water stressed if it is within the arid and low water use category or high (40-80% stressed) category or greater as shown on the Aqueduct visual output. The proportion of total water inputs from stressed areas remained approximately the same when compared to Teck's total water inputs because overall, the water withdrawals at our operations in water-stressed areas and at the company level remained similar to last year. |

| Withdrawals  | %          | Comparison | Primary    | Five-    | Primary    | Identification | Please explain |
|--------------|------------|------------|------------|----------|------------|----------------|----------------|
| are from     | withdrawn  | with       | reason for | year     | reason for | tool           |                |
| areas with   | from areas | previous   | comparison | forecast | forecast   |                |                |
| water stress | with water | reporting  | with       |          |            |                |                |
|              | stress     | year       | previous   |          |            |                |                |
|              |            |            | reporting  |          |            |                |                |
|              |            |            | year       |          |            |                |                |

# W1.2h

# (W1.2h) Provide total water withdrawal data by source.

|  | Relevance | Volume<br>(megaliters/year) | Comparison<br>with previous<br>reporting year | Primary reason<br>for comparison<br>with previous<br>reporting year | Please explain  |
|--|-----------|-----------------------------|---|---|---|
| Fresh surface water, including rainwater, water from wetlands, rivers, and lakes | Relevant  | 267320                      | Higher  | Other, please<br>specify<br>(Increased river<br>flows)              | In 2022 we reported an increase in total fresh water entering our operations compared to 2021, primarily due to increased precipitation in some operating areas resulting in higher river flows.  |
| Brackish surface<br>water/Seawater   | Relevant  | 40                          | About the same                                | Other, please<br>specify<br>(Maintain<br>operations)                | This year, one operation used a minor quantity of brackish water at its port facilities. Compared with our overall withdrawal volumes, this quantity is insignificant relative to the total water withdrawals. We anticipate a material change in our seawater withdrawals when operation of our Quebrada Blanca Phase 2 project begins as this project will use desalinated seawater for operations in place of freshwater |

|                                 | Relevance       | Volume<br>(megaliters/year) | Comparison with previous reporting year | Primary reason<br>for comparison<br>with previous<br>reporting year | Please explain  |
|---------------------------------|-----------------|-----------------------------|---|---|---|
| Groundwater –<br>renewable      | Relevant        | 34290                       | About the same                          | Other, please<br>specify<br>(Maintain<br>operations)                | This water source is relevant. In 2022, our groundwater inputs remained relatively constant compared to 2021, as overall our operations maintained a similar amount of groundwater withdrawals.   |
| Groundwater – non-<br>renewable | Not<br>relevant | <not applicable=""></not>   | <not<br>Applicable&gt;</not<br>         | <not<br>Applicable&gt;</not<br>                                     |   |
| Produced/Entrained water        | Not<br>relevant | <not applicable=""></not>   | <not<br>Applicable&gt;</not<br>         | <not<br>Applicable&gt;</not<br>                                     |   |
| Third party sources             | Relevant        | 4                           | About the same                          | Other, please<br>specify<br>(Maintain<br>Operations)                | This water supply source is provided by the local municipality for use at one of our operation's laboratory facilities.  Volumes of water sourced from a third party has remained constant the last few years. Compared with our overall withdrawal volumes, this quantity is insignificant. We do not anticipate a material change in our third party water withdrawals in the short term. |

### W1.2i

(W1.2i) Provide total water discharge data by destination.

|                                    | Relevance | Volume<br>(megaliters/year) | Comparison with previous reporting year | Primary reason for comparison with previous reporting year  | Please explain  |
|------------------------------------|-----------|-----------------------------|---|---|---|
| Fresh surface<br>water             | Relevant  | 218093                      | Higher                                  | Other, please specify<br>(Increased river flows)  | In 2022 we reported an increase in to-<br>tal fresh surface water discharging<br>from our operations compared to 2021,<br>primarily due to increased precipita-<br>tion in some operating areas resulting<br>in higher river flows.                                     |
| Brackish surface<br>water/seawater | Relevant  | 80                          | Lower                                   | Other, please specify (Reduced precipitation )  | In 2022, there was reduced precipitation in the area of one of our operations that discharges to the ocean compared to 2021.  |
| Groundwater                        | Relevant  | 15287                       | Higher                                  | Other, please specify<br>(Increased precipitation<br>)  | In 2022 we reported an increase in to-<br>tal water discharging from our opera-<br>tions to ground compared to 2021, pri-<br>marily due to increased precipitation in<br>some operating areas.  |
| Third-party<br>destinations        | Relevant  | 2212                        | About the same                          | Other, please specify (The demands of third-<br>party users for our<br>water was not<br>materially different in<br>2022.) | We remained relatively constant compared to 2021 because the demands of third-party users for our water was not materially different. Moving forward, changes in the volumes of water to third parties will vary with their demands and any changes in our commitments. |

# W1.2j

|          | Relevance<br>of<br>treatment<br>level to<br>discharge | Volume<br>(megaliters/year) | Comparison of treated volume with previous reporting year | Primary reason<br>for comparison<br>with previous<br>reporting year | % of your sites/facilities/operations this volume applies to | Please explain  |
|----------|---|-----------------------------|---|---|--|---|
| Tertiary | Relevant  | 76413                       | Higher  | Facility expansion  | 41-50  | Tertiary treatment is relevant to Teck, as we remove suspended, colloidal and dissolved constituents through treatment processes such as saturated rock fills (SRFs), biologically based Active Water Treatment Facilities (AWTF), lime High Density Sludge (HDS) Treatment Plants, Reverse Osmosis (RO) Treatment Plants, and chlorination/dechlorination facilities. As detailed in our Elk Valley Water Quality Plan (www.teck.com/elkvalley) we will install additional tertiary treatment facilities at our steelmaking coal operations in the short and medium term. In 2022, our tertiary treatment increased compared to 2021 because an SRF was expanded in the Elk Valley and a new Active Water Treatment Facility was commissioned. |

|                              | Relevance<br>of<br>treatment<br>level to<br>discharge | Volume<br>(megaliters/year) | Comparison of treated volume with previous reporting year | Primary reason<br>for comparison<br>with previous<br>reporting year                   | % of your sites/facilities/operations this volume applies to | Please explain  |
|------------------------------|---|-----------------------------|---|---|--|---|
| Secondary treatment          | Relevant  | 60                          | About the same  | Other, please<br>specify (No<br>major changes<br>to secondary<br>treatment<br>needs.) | 1-10   | Secondary treatment is relevant to Teck, as we remove organic matter through biological treatment at our operations. We do not anticipate a material change to secondary treatment in the future. In 2022, our secondary treatment remained relatively constant as there were no major changes to secondary treatment needs.  |
| Primary<br>treatment<br>only | Relevant  | 146667                      | Higher  | Other, please specify (Increased precipitation)                                       | 31-40  | Primary treatment is relevant to Teck because our operations have clarification or sedimentation facilities designed to remove suspended solids from mine-affected water prior to discharge to the environment. Physical removal of suspended solids also occurs in facilities such as pits, water storage reservoirs, and tailings storage facilities. Physical removal of suspended solids also occurs when surface water |

|  | Relevance<br>of<br>treatment<br>level to<br>discharge | Volume<br>(megaliters/year) | Comparison of treated volume with previous reporting year | Primary reason<br>for comparison<br>with previous<br>reporting year                         | % of your sites/facilities/operations this volume applies to | Please explain   |
|--|---|-----------------------------|---|---|--|--|
|  |   |                             |   |   |  | infiltrates into groundwater. We anticipate the primary treatment volume to change as precipitation varies.  |
| Discharge to<br>the natural<br>environment<br>without<br>treatment | Relevant  | 10791                       | Lower   | Other, please<br>specify  | 31-40  | Discharge to the natural environment without treatment is relevant to Teck. We anticipate changes to volumes of discharge to the natural environment without treatment to occur as precipitation changes.  |
| Discharge to<br>a third party<br>without<br>treatment              | Relevant  | 1740                        | About the same  | Other, please specify (No change in volumes discharged to a third party without treatment.) | 11-20  | Discharge to a third party without treatment is relevant as we discharge water to 3rd parties without prior treatment in two specific instances. The sewage water from one of our operations is conveyed to the city's sewage treatment plant (3rd party) for treatment prior to release to the environment. We also provide freshwater to a local community at one of our operations. We do not anticipate a material |

|       | Relevance<br>of<br>treatment<br>level to<br>discharge | Volume<br>(megaliters/year) | Comparison of treated volume with previous reporting year | Primary reason<br>for comparison<br>with previous<br>reporting year | % of your sites/facilities/operations this volume applies to | Please explain  |
|-------|---|-----------------------------|---|---|--|---|
|       |   |                             |   |   |  | change to discharge to a<br>third party without treat-<br>ment in the future. |
| Other | Not<br>relevant                                       | <not applicable=""></not>   | <not<br>Applicable&gt;</not<br>                           | <not<br>Applicable&gt;</not<br>                                     | <not applicable=""></not>                                    |   |

### W1.2k

# (W1.2k) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

|          | Emissions to water in the reporting year (metric tonnes) | Category(ies) of<br>substances<br>included                                 | List the specific substances included   | Please explain  |
|----------|--|--|---|---|
| Row<br>1 | 860  | Nitrates Priority substances listed under the EU Water Framework Directive | Nitrates, Priority substances listed under the EU Water Framework Directive (Cadmium, Lead, Mercury, Nickel, Phosphorous) | Our mining and smelting operations discharge priority substances to water. Nitrates are released from blasting at our mining operations. This has been a major focus of source control efforts in the past several years through reducing explosive use, spills and overall contact of explosives and water. Other priority substances such as cadmium, lead, mercury, nickel and phosphorous are naturally occurring in the rock at our mining operations. As water passes through our sites they pick up and transport these substances. Concentrations of these substances are monitored at discharge and receiving environment locations and mitigations are in place to ensure protection of aquatic and human health. |

#### W1.3

#### (W1.3) Provide a figure for your organization's total water withdrawal efficiency.

|          | Revenue         | Total water withdrawal volume (megaliters) | Total water withdrawal efficiency | Anticipated forward trend   |
|----------|-----------------|--|-----------------------------------|---|
| Row<br>1 | 17320000<br>000 | 301654                                     |                                   | Revenue and water withdrawal are anticipated to vary each year based on market and weather conditions |

#### W-MM1.3/W-C01.3

(W-MM1.3/W-CO1.3) Do you calculate water intensity information for your metals and mining activities? Yes

#### W-MM1.3a/W-C01.3a

(W-MM1.3a/W-CO1.3a) For your top 5 products by revenue, provide the following intensity information associated with your metals and mining activities.

| Product<br>name                               | Numerator:<br>Water<br>aspect | Denominator   | Comparison<br>with previous<br>reporting year | Please explain   |
|---|-------------------------------|---|---|--|
| Milling<br>and<br>Flotation<br>Operation<br>s | Freshwater<br>use             | Ton of ore processed  | Higher  | In 2022, we reported a higher freshwater use intensity at our Milling and Flotation operations compared to 2021 as well as lower production volumes. Water use intensity is expected to vary from year to year based on water availability and production requirements.  We use the results of our metrics internally to identify and implement opportunities to reduce water use, share operational best practices, and design and construct new operations.  We anticipate that our freshwater use efficiency in our milling and flotation operations will continue to improve over time as we implement technologies and operational practices that reuse more process water as well we begin to use desalinated water at our QB2 operation.  |
| Steelmaki<br>ng Coal<br>Operation<br>s        | Freshwater                    | Other, please<br>specify (Ton of<br>raw coal<br>processed ) | Higher  | In 2022, we reported a reduction in our freshwater use intensity at our steelmaking coal operations relative to 2021. The reduction in freshwater use intensity is primarily due to reduced production at one of our coal operations.  We use the results of our metrics internally to identify and implement opportunities to reduce water use, share operational best practices, and design and construct new operations. For example, at our steelmaking coal sites, we are evaluating dewatering and co-mingling options. Dewatering can reduce or eliminate the accumulation of fine tailings in traditional tailings facilities. It could also reduce the water stored within tailings storage facilities and increase the amount of water we reuse or are able to safely discharge back to the environment.  We anticipate that our freshwater use efficiency in our steelmaking coal operations will continue to improve over time as we implement technologies and operational practices that reuse more process water. |

#### W1.4

#### (W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

|       | Products contain hazardous substances | Comment                   |
|-------|---------------------------------------|---------------------------|
| Row 1 | Yes                                   | <not applicable=""></not> |

#### W1.4a

# (W1.4a) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

| Regulatory classification of hazardous substances             | % of revenue associated with products containing substances in this list | Please explain   |
|---|--|--|
| List of substances (Canadian<br>Environmental Protection Act) |  | We produce and refine lead at our operations. Lead is listed as toxic under the Canadian environmental protection act. |

#### W1.5

#### (W1.5) Do you engage with your value chain on water-related issues?

|  | Engagement | Primary reason for no engagement | Please explain  |
|--|------------|----------------------------------|---|
| Suppliers                                    | No         |                                  | Our primary focus has been on engagement with the stake-<br>holders within our watersheds to ensure we are managing<br>water responsibly. |
| Other value chain partners (e.g., customers) | No         |                                  | Our primary focus has been on engagement with the stake-<br>holders within our watersheds to ensure we are managing<br>water responsibly. |

### W2. Business impacts

#### W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

#### W2.2

# (W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

|       | Water-related regulatory violations | Fines, enforcement orders, and/or other penalties | Comment |
|-------|-------------------------------------|---|---------|
| Row 1 | Yes                                 | Fines   |         |

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

1

**Total value of fines** 

62000

% of total facilities/operations associated

7

Number of fines compared to previous reporting year

Lower

Comment

W2.2b

(W2.2b) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Type of penalty

Fine

**Financial impact** 

#### Country/Area & River basin

Canada Other, please specify (Elk River)

#### Type of incident

Other non-compliance with permits, standards, or regulations

#### Description of penalty, incident, regulatory violation, significance, and resolution

In 2022, our Fording River Operations (FRO) received a Determination of Administrative Penalty from the B.C. Ministry of Environment and Climate Change Strategy for \$62,000 for failing to comply with the permit requirement to maintain the operation of the sewage treatment plant in good working order and for unauthorized bypasses in 2019 and 2020.

#### W3. Procedures

#### W3.1

# (W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

|     | Identification and classification of potential water pollutants | How potential water pollutants are identified and classified                    | Please<br>explain   |
|-----|---|---|---------------------|
| Row | Yes, we identify and classify our                               | Potential water pollutants are identified through predictive modelling and rig- | <not< td=""></not<> |
| 1   | potential water pollutants                                      | orous monitoring programs. They are classified using relevant regulatory and    | Applicable          |
|     |   | ecological benchmarks.  | >                   |

(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

#### Water pollutant category

**Nitrates** 

#### Description of water pollutant and potential impacts

Nitrate affects aquatic organisms by direct contact. At elevated concentrations, it can interfere with osmoregulation (the ability to maintain appropriate cellular ion levels) (CCME 2012)

#### Value chain stage

**Direct operations** 

#### Actions and procedures to minimize adverse impacts

Provision of best practice instructions on product use

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

Procedure(s) under development/ R&D

#### Please explain

Nitrates are released from blasting at our mining operations. This has been a major focus of source control efforts in the past several years by reducing explosive use, spills and overall contact of explosives and water. Teck also operates treatment at several of our operations which removes nitrates prior to discharge

#### Water pollutant category

Other, please specify (Metals and metalloids)

#### Description of water pollutant and potential impacts

Metals and metalloids are naturally occurring in the rock at our mining operations. As water passes through our sites they pick up and transport these substances. Elevated concentrations of some of these substances may result in effects to downstream aquatic and ecosystem health. Concentrations of these substances are monitored at discharge and receiving environment locations and mitigation are put in place where required to protect aquatic and ecosystem health.

#### Value chain stage

**Direct operations** 

#### Actions and procedures to minimize adverse impacts

Implementation of integrated solid waste management systems

Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

Procedure(s) under development/ R&D

#### Please explain

Metal leaching from our mining operations are managed with ML/ARD management plans. These plans identify how waste is managed to minimize leaching of metals and other substances. Discharge treatment process are also in place at many of our operations to remove pollutants prior to discharge.

#### W-MM3.2/W-CO3.2

(W-MM3.2/W-CO3.2) By river basin, what number of active and inactive tailings dams are within your control?

| Country/Area &           | Number of                        | Number                    | Comment   |
|--------------------------|----------------------------------|---------------------------|---|
| River basin              | tailings<br>dams in<br>operation | of inactive tailings dams |   |
| Canada Columbia<br>River | 8                                | 5                         | We conduct regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental incidents each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. In August 2020, the Global Industry Standard on Tailings Management, was launched jointly by the ICMM, the UNEP and the PRI. The standard sets a high benchmark for improving the safe management of tailings facilities, and for working towards the goal of zero harm. Teck was part of the multi-stakeholder advisory group that provided input to develop the GISTM, and we worked with ICMM to develop guidance documentation. Teck is committed to implementation of the GISTM across our sites, and is currently in progress of conforming at all active sites by 2023. We had no significant incidents at our tailings storage facilities in 2022, and inspections and reviews were conducted as scheduled. The number of tailings facilities reported in 2023 has changed compared to 2022 because 2023 numbers include only active operations while previously reported number included legacy properties. |
| Canada Fraser<br>River   | 3                                | 3                         | We conduct regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental incidents each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. In August 2020, the Global Industry Standard on Tailings Management, was launched jointly by the ICMM, the UNEP and the PRI. The standard sets a high benchmark for improving the safe management of tailings facilities, and for working towards the goal of zero harm. Teck was part of the multi-stakeholder advisory group that provided input to develop the GISTM, and we worked with ICMM to develop guidance documentation. Teck is committed to implementation of the GISTM across our sites, and is currently in progress of conforming at all active sites by 2023. We had no significant incidents at our tailings storage facilities in 2022, and inspections and reviews were con-   |

| Country/Area &<br>River basin                     | Number of<br>tailings<br>dams in<br>operation | Number<br>of<br>inactive<br>tailings<br>dams | ducted as scheduled. Further detail is available at  |
|---|---|--|--|
| Chile Other, please specify (Elqui River)         | 1   | 0  | (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/).  We conduct regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental incidents each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. In August 2020, the Global Industry Standard on Tailings Management, was launched jointly by the ICMM, the UNEP and the PRI. The standard sets a high benchmark for improving the safe management of tailings facilities, and for working towards the goal of zero harm. Teck was part of the multi-stakeholder advisory group that provided input to develop the GISTM, and we worked with ICMM to develop guidance documentation. Teck is committed to implementation of the GISTM across our sites, and is currently in progress of conforming at all active sites by 2023. We had no significant incidents at our tailings storage facilities in 2022, and inspections and reviews were conducted as scheduled. Further detail is available at (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/). |
| United States of America Specify (Kivalina River) | 1   | 0  | We conduct regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental incidents each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. In August 2020, the Global Industry Standard on Tailings Management, was launched jointly by the ICMM, the UNEP and the PRI. The standard sets a high benchmark for improving the safe management of tailings facilities, and for working towards the goal of zero harm. Teck was part of the multi-stakeholder advisory group that provided input to develop the GISTM, and we worked with ICMM to develop guidance documentation. Teck is committed to implementation of the GISTM across our sites, and is currently in progress of conforming at all active sites by 2023. We had no significant incidents at our tailings storage facilities in 2022, and inspections and reviews were con-  |

| Country/Area &<br>River basin                | Number of<br>tailings<br>dams in<br>operation | Number<br>of<br>inactive<br>tailings<br>dams | ducted as scheduled. Further detail is available at (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/).   |
|--|---|--|--|
| Chile Other, please specify (Quebrada Choja) | 1   | 0  | A new facility was constructed in 2022 at our Quebrada Blanca Operation in Chile. We conduct regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental incidents each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. In August 2020, the Global Industry Standard on Tailings Management, was launched jointly by the ICMM, the UNEP and the PRI. The standard sets a high benchmark for improving the safe management of tailings facilities, and for working towards the goal of zero harm. Teck was part of the multi-stakeholder advisory group that provided input to develop the GISTM, and we worked with ICMM to develop guidance documentation. Teck is committed to implementation of the GISTM across our sites, and is currently in progress of conforming at all active sites by 2023. We had no significant incidents at our tailings storage facilities in 2022, and inspections and reviews were conducted as scheduled. Further detail is available at (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/). |

#### W-MM3.2a/W-CO3.2a

(W-MM3.2a/W-CO3.2a) Do you evaluate and classify the tailings dams under your control according to the consequences of their failure to human health and ecosystems?

|          | Evaluation of<br>the<br>consequences<br>of tailings dam<br>failure | Evaluation/Classification guideline(s) | Tailings dams<br>have been<br>classified as<br>'hazardous' or<br>'highly<br>hazardous'              | Please explain  |
|----------|--|--|---|---|
| Row<br>1 | Yes, we evaluate the consequences of tailings dam failure          | Canadian Dam Association (CDA)         | None of our tailings dams have been classified as 'hazardous' or 'highly hazardous' (or equivalent) | We operate and maintain our tailings facilities to meet global best practices for safety including industry leading governance protocols established by the ICMM and Mining Association of Canada, and best practice technical guidance from the Canadian Dam Association (CDA) and the International Commission on Large Dams. We classify dams and evaluate and report the potential consequences from credible dam failure scenarios, using a consequence rating system that is aligned with the CDA guidelines, which assigns a consequence ranking from Low to Extreme based on potential environmental, safety and economic effects of a failure. This ranking informs our risk assessment process which is used to guide tailings facility design and emergency planning. In 2022, we had zero significant incidents at our tailing facilities, and all inspections and associated internal and external reviews were conducted as scheduled. External Engineers of Record conduct Annual Facility Performance Reviews of our tailing facilities and to being open and transparent with communities and other stakeholders regarding their construction and management. Additional information, details of our facility assessment methodology and our comprehensive approach to tailings facility management, including Teck's tailings facility inventory and Annual Facility Performance Reports, can be found on our website: https://www.teck.com/responsibility/sustainability-topics/tailings-management/ |

# (W-MM3.2c/W-CO3.2c) To manage the potential impacts to human health or water ecosystems associated with the tailings dams in your control, what procedures are in place for all of your dams?

| Procedure                 | Detail of the procedure   | Please explain   |
|---------------------------|---|--|
| Acceptable<br>risk levels | Establishment of site- level guidance and standards for acceptable risk levels based on an evaluation of potential chemical and physical risks Establishment of site- level guidance and standards for acceptable risk levels for third party safety in consultation with potentially affected communities, employees and relevant government bodies Establishment of site- level guidance and standards for acceptable risk levels across all life stages, including post- closure Establishment of company-wide standards for acceptable risk levels that folllow a company policy to eliminate or minimize water-related risks associated with tailings dams | We conduct regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We review our facilities and procedures regularly (every one to three years), and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. Teck is committed to implementation of the Global Industry Standard on Tailings Management (GISTM) across our active sites by August 2023.  We had no significant incidents at our tailings storage facilities in 2022, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. To improve tailings management, we ensure that we have a consistent and appropriate leve of internal review and independent external review for our facilities. Teck has established a cross-business and cross-functional Tailings Working Group and Tailings and Water Retaining Structures governance framework. All of our major facilities were reviewed against our internal policy and guidance documentation as of the end of 2021. Our Tailings Governance Reviews are an additional level of facility oversight we have introduced to our performance program to evaluate conformance with our internal tailings guidance documents and policy. In 2022 Tailings Governance Reviews were conducted a 4 operations, at 3 legacy sites and at 1 site that is in closure. In addition, all of the annual facility performance reviews and reviews completed by our external Engineers of Record along with all Independent Review Board activities, were reviewed for conformance with both our internal and applicable regulatory requirements. Our internal guidelines are consistent with both ICMM and MAC principles and guidance. As a result of our ongoing Tailings Governance Review processes, and based on themes from the MAC and ICMM advancements, we are further strengthening our gui |
| Operating<br>plan         | An operating plan that is aligned with your established acceptable  | We conduct regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We review our facilities and procedures regularly (every one to three years),   |

| Procedure        | Detail of the procedure      | Please explain  |
|------------------|------------------------------|---|
|                  | risk levels and critical     | and are committed to maintaining the highest standard of safety and environmental pro-          |
|                  | controls framework           | tection, including standards set by the Mining Association of Canada and the                    |
|                  | An operating plan that       | International Council on Mining and Metals. Teck is committed to implementation of the          |
|                  | includes the operating       | GISTM across our active sites.  |
|                  | constraints of the dam       | We had no significant incidents at our tailings storage facilities in 2022, and all facilities  |
|                  | and its construction         | performed as intended, with their inspections and reviews conducted as scheduled. To            |
|                  | method                       | improve tailings management, we are ensuring that we have a consistent and appropriate          |
|                  | An operating plan that       | level of internal review and independent external review for our facilities. Where war-         |
|                  | considers the                | ranted, we have also adjusted our organizational structure to allow for more effective risk     |
|                  | consequences of              | management. A cross-business and cross-functional Tailings Working Group and Tailings           |
|                  | breaching the operating      | and Water Retaining Structures governance framework is established. All of our major fa-        |
|                  | constraints of the dam       | cilities were reviewed against our internal policy and guidance documentation as of the         |
|                  | An operating plan that       | end of 2021. Our Tailings Governance Reviews are an additional level of facility oversight      |
|                  | includes periodic review     | we have introduced to our performance program to evaluate conformance with our inter-           |
|                  | of the foundations and       | nal tailings guidance documents and policy. In 2022 Tailings Governance Reviews were            |
|                  | slope materials              | conducted at 4 operations, at 3 legacy sites and at 1 site that is in closure. In addition, all |
|                  | An operating plan that       | of the annual facility performance reviews and reviews completed by our external                |
|                  | evaluates the                | Engineers of Record, along with all Independent Review Board activities, were reviewed          |
|                  | effectiveness of the risk    | for conformance with both our internal and applicable regulatory requirements. Our inter-       |
|                  | management measures          | nal guidelines are consistent with both ICMM and MAC principles and guidance. As a re-          |
|                  | and whether                  | sult of our ongoing Tailings Governance Review processes, and based on themes from              |
|                  | performance objectives       | the MAC and ICMM advancements, we are further strengthening our guidance related to             |
|                  | are being met                | change management, enhancing integration of risk evaluation and identifying critical            |
|                  |                              | controls. Teck is committed to achieving the ICMM target for member companies of con-           |
|                  |                              | formance to the GISTM at all active sites by August 2023, further strengthening our con-        |
|                  |                              | trols for catastrophic failures   |
| Life of facility | A life of facility plan that | We have developed life of mine plans and designs for our tailings facilities that include       |
| plan             | identifies minimum           | performance objectives and critical controls linked to facility specific risk assessments.      |
|                  | specifications and           | Closure plans have been developed for our tailings facilities that account for residual         |
|                  | performance objectives       | physical and chemical risks, and consider post-closure end land and water use. Our oper-        |
|                  | for the operating and        | ational and closure plans are assessed as part of our regular business planning cycle.          |
|                  | closure phases               | We conduct regular audits of the environmental compliance of our sites. We develop cor-         |
|                  | A life of facility plan that | rective action plans based on findings, and we regularly assess the implementation of op-       |
|                  | includes an                  | erational and closure plans through our Tailings Governance Review (TGR) process. We            |
|                  | identification of            | review our facilities regularly (1-3 years), and are committed to maintaining the highest       |
|                  | potential chemical and       | standard of safety and environmental protection, including standards set by the Mining          |
|                  |                              |   |

| Procedure         | Detail of the procedure  | Please explain  |
|-------------------|--|---|
|                   | physical risks from the design and construction phases A life of facility plan that considers post-closure land and water use A life of facility plan that details the financial and human resources needed  | Association of Canada and the International Council on Mining and Metals. We had no significant incidents at our tailings facilities in 2022, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. To improve, we are ensuring that we have a consistent and appropriate level of internal review and independent external review. We established a cross-business and cross-functional Tailings Working Group and Tailings and Water Retaining Structures governance framework. All of our major facilities were reviewed against our internal policy and guidance documentation as of 2021. Our TGRs are an additional level of facility oversight to evaluate conformance with our policy and framework. In 2022 TGRs were conducted at 4 operations, 3 legacy sites and 1 site that is in closure. In addition, all of the annual facility performance reviews and reviews completed by our external Engineers of Record, along with all Independent Review Board activities, were reviewed for conformance with our internal and applicable regulatory requirements. Our internal guidelines are consistent with ICMM and MAC principles and guidance. As a result of our ongoing TGR processes, and MAC and ICMM advancements, we are further improving our guidance on change management, enhancing integration of risk evaluation and identifying critical controls. We are committed to achieving the ICMM target conformance to the GISTM at all active sites by August 2023, further strengthening our controls for catastrophic failures. |
| Assurance program | An assurance program for the operating phase of the facility that details the procedures for the inspections, audits and reviews An assurance program for each phase of the facilities' life that includes the frequency of the various levels of inspections, audits and reviews An assurance program for each phase of the facilities' life that includes the scope of the various levels of | We conduct regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We review our facilities and procedures regularly (every one to three years), and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. Teck is committed to implementation of the GISTM across our sites.  We had no significant incidents at our tailings storage facilities in 2022, and all inspections and reviews were conducted as scheduled. To improve tailings management, we are ensuring that we have a consistent and appropriate level of internal review and independent external review for our facilities. Where warranted, we have also adjusted our organizational structure to allow for more effective risk management. A cross-business and cross-functional Tailings Working Group and Tailings and Water Retaining Structures governance framework is established. All of our major facilities were reviewed against our internal policy and guidance documentation as of the end of 2021. Our Tailings Governance Reviews are an additional level of facility oversight we have introduced to our performance program to evaluate conformance with our internal tailings guidance documents and policy. In 2022 Tailings Governance Reviews were conducted at 4 operations, at 3  |

| Procedure                       | Detail of the procedure  | Please explain  |
|---------------------------------|--|---|
|                                 | inspections, audits and reviews An assurance program that details the competence requirements for the persons undertaking the inspections, audits and reviews An assurance program that includes an external audit covering the life of facility or the operating plans  | legacy sites and at 1 site that is in closure. In addition, all of the annual facility performance reviews and reviews completed by our external Engineers of Record, along with all Independent Review Board activities, were reviewed for conformance with both our internal and applicable regulatory requirements. Our internal guidelines are consistent with both ICMM and MAC principles and guidance. As a result of our ongoing Tailings Governance Review processes, and based on themes from the MAC and ICMM advancements, we are further strengthening our guidance related to change management, enhancing integration of risk evaluation and identifying critical controls. Teck is committed to achieving the ICMM target for member companies of conformance to the GISTM at all active sites by August 2023, further strengthening our controls for catastrophic failures.  |
| Change<br>management<br>process | Inclusion of a formal change management process for the construction phase of the facility Inclusion of a formal change management process for the operating phase of the facility Inclusion of a formal change management process for the closure and decommissioning phase of the facility Inclusion of a change management process in the assurance program Inclusion of the results from external audits of operating plans or life of facility plans into the | We conduct regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We review our facilities and procedures regularly (every one to three years), and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. Teck is committed to implementation of the GISTM across our sites.  We had no significant incidents at our tailings storage facilities in 2022, and all inspections and reviews were conducted as scheduled. To improve tailings management, we are ensuring that we have a consistent and appropriate level of internal review and independent external review for our facilities. Where warranted, we have also adjusted our organizational structure to allow for more effective risk management. Teck has established a cross-business and cross-functional Tailings Working Group and Tailings and Water Retaining Structures governance framework. All of our major facilities were reviewed against our internal policy and guidance documentation as of the end of 2021. Our Tailings Governance Reviews are an additional level of facility oversight we have introduced to our performance program to evaluate conformance with our internal tailings guidance documents and policy. In 2022 Tailings Governance Reviews were conducted at 4 operations, at 3 legacy sites and at 1 sites that are in closure. In addition, all of the annual facility performance reviews and reviews completed by our external Engineers of Record, along with all Independent Review Board activities, were reviewed for conformance with both our internal and applicable regulatory requirements. Our internal guide- |

| Procedure | Detail of the procedure   | Please explain  |
|-----------|---|---|
|           | change management process   | lines are consistent with both ICMM and MAC principles and guidance. As a result of our ongoing Tailings Governance Review processes, and based on themes from the MAC and ICMM advancements, we are further strengthening our guidance related to change management, enhancing integration of risk evaluation and identifying critical controls. Teck is committed to achieving the ICMM target for member companies of conformance to the GISTM at all active sites by August 2023, further strengthening our controls for prevention of catastrophic failures.   |
| Approval  | The operating plan and the life of facility plan are approved by the EHS manager The operating plan and the life of facility plan are approved by a C-suite officer The results of the assurance program and the change management process are approved by the EHS manager The results of the assurance program and the change management process are approved by a C-suite officer | We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We review our facilities and procedures regularly (every 1-3 years), and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. Teck is committed to implementation of the GISTM across our sites.  We had no significant incidents at our tailings storage facilities in 2022, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. To improve tailings management, we are ensuring that we have a consistent and appropriate level of internal review and independent external review for our facilities. Where warranted, we have also adjusted our organizational structure to allow for more effective risk management. A cross-business and cross-functional Tailings Working Group and Tailings and Water Retaining Structures governance framework is established. All of our major facilities were reviewed against our internal policy and guidance documentation as of the end of 2021. Our Tailings Governance Reviews are an additional level of facility oversight we have introduced to our performance program to evaluate conformance with our internal tailings guidance documents and policy. In 2022 Tailings Governance Reviews were conducted at 4 operations, at 3 legacy sites and at 1 site that is in closure. In addition, all of the annual facility performance reviews and reviews completed by our external Engineers of Record, along with all Independent Review Board activities, were reviewed for conformance with both our internal and applicable regulatory requirements. Our internal guidelines are consistent with both ICMM and MAC principles and guidance. As a result of our ongoing Tailings Governance Review processes, and based on themes from the MAC and |

| Procedure                  | Detail of the procedure                             | Please explain   |
|----------------------------|---|--|
| Other management procedure | Other, please specify (Tailings Governance Reviews) | We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We review our facilities and procedures regularly (every 1-3 years), and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. Teck is committed to implementation of the GISTM across our sites.  We had no significant incidents at our tailings storage facilities in 2022, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. To improve tailings management, we are ensuring that we have a consistent and appropriate level of internal review and independent external review for our facilities. Where warranted, we have also adjusted our organizational structure to allow for more effective risk management. A cross-business and cross-functional Tailings Working Group and Tailings and Water Retaining Structures governance framework is established. All of our major facilities were reviewed against our internal policy and guidance documentation as of the end of 2021. Our Tailings Governance Reviews are an additional level of facility oversight we have introduced to our performance program to evaluate conformance with our internal tailings guidance documents and policy. In 2022 Tailings Governance Reviews were conducted at 4 operations, at 3 legacy sites and at 1 site that is in closure In addition, all of the annual facility performance reviews and reviews completed by our external Engineers of Record, along with all Independent Review Board activities, were reviewed for conformance with both our internal and applicable regulatory requirements. Our internal guidelines are consistent with both ICMM and MAC principles and guidance. As a result of our ongoing Tailings Governance Review processes, and based on themes from the MAC and I |

#### (W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

#### W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

#### Value chain stage

**Direct operations** 

#### Coverage

Full

#### Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

#### Frequency of assessment

Annually

#### How far into the future are risks considered?

More than 6 years

#### Type of tools and methods used

Tools on the market

Enterprise risk management

#### Tools and methods used

ISO 31000 Risk Management Standard

Other, please specify (Internal company knowledge, HazOp, FMECA)

#### Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

#### Stakeholders considered

**Employees** 

Investors

Local communities

**NGOs** 

Regulators

Water utilities at a local level

Other water users at the basin/catchment level

#### Comment

Water risks can pose business risks and are captured by our company's risk management process, which utilizes aspects of the ISO 31000, HazOp and FMECA methodologies. These methods are used to inform and guide the process of identifying/generating/assessing our water and water-related risks and opportunities. The water specific risks & opportunities workshops held at our operations also used a combination of the methodologies from ISO 31000, FMECA and Teck's risk assessment practices. The stakeholders considered in our water risk assessments include indigenous groups as our mine sites are in the area of their lands.

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

|          | Rationale for approach to risk assessment  | Explanation of contextual issues considered  | Explanation of stakeholders considered  | Decision-making process for risk response  |
|----------|--|--|---|--|
| Row<br>1 | Each operation and business function maintains and at least annually updates a risk register in accordance with a standardized risk management system approach to identifying and assessing all risks, including water-related risks. Water risks and opportunities are used to inform decision making at the operation level for the life of the operation, and at the corpo- | Contextual issues considered are dependent on the location of each operation.  For example, two of our operations are located in arid regions where the demand for water may result in water resources becoming unavailable or more costly. This risk has the potential to impact the viability of new projects in arid regions. There is also a potential to increase operating and capital costs. The risk posed by potential water scarcity in arid regions is incorporated into the risk register at the operational and corporate wide level. As a result of this risk, we are developing | All of our operations have established stake holder engagement processes through project or regular operations. If issues or concerns are raised through these discussions they are considered when identifying and prioritizing risks. | At our operations, identified risks are used to inform budgets and business plans to ensure risks are controlled. At the company-level, water is integrated into a comprehensive, company-wide strategic-level risk assessment process. Committees composed of board members and/or senior management frequently review and assess both the process of risk and opportunity identification and |
|          | rate level to inform strate-<br>gic planning activities.   | alternative water sources as part of our long-term growth strategy. At the company-level, water is integrated into a comprehensive, company-wide strategic-level risk assessment process   |   | the risks and opportunities themselves. We also complete risk assessments with external third parties such as geotechnical and hydrology experts.  |

## (W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

#### W4.1a

#### (W4.1a) How does your organization define substantive financial or strategic impact on your business?

We define substantive financial or strategic impacts from water risks, to our direct operations, to include:

- sanctions corresponding to an interruption of production or cessation of activity for a short-term but finite duration;
- significant, longer-term or offsite community (measured by real or perceived impact) or environmental (measured by duration of impact and degree of reversibility) impact requiring significant mitigation or additional long-term controls; and/or,
- financially, we define a substantive change to an operation using a cost threshold.

We apply these definitions to our risk management framework to determine the severity of incidents based on their potential environmental, safety, community, reputational and financial impacts. Based on

the definitions above and our risk ranking process, we did not have any incidents that met these thresholds in 2022.

#### W4.1b

# (W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

|          | Total number of facilities exposed to water risk | % company-wide facilities this represents | Comment   |
|----------|--|---|---|
| Row<br>1 | 7  | 76-99                                     | Seven of our nine operations are exposed to water risks that have the potential to have substantive impact.   |
|          |  |   | At our Chilean sites, the risks are related to scarcity affecting water supply to maintain operations.  |
|          |  |   | At our Elk Valley sites in BC, Canada, the risk is related to impacts to receiving water quality from mine water discharges   |
|          |  |   | At our Red Dog operation in Alaska, USA, the risk is related to impacts to receiving water quality from mine water discharges and the potential for the measures to disrupt operations. |

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

#### Country/Area & River basin

Chile Other, please specify (Elqui River)

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities 399000000

% company's annual electricity generation that could be affected by these facilities <Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities <Not Applicable>

% company's total global revenue that could be affected

1-10

#### Comment

This is site is located in a water scarce area of Chile and represents about 4% of Teck's revenue in 2021. Reductions in water availability have the potential to increase operating and capital costs and directly affect production.

#### Country/Area & River basin

Chile Other, please specify (Quebrada Choja)

#### Number of facilities exposed to water risk

1

#### % company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities 105000000

% company's annual electricity generation that could be affected by these facilities <Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities <Not Applicable>

#### % company's total global revenue that could be affected

1-10

#### Comment

This is site is located in a water scarce area of Chile and represents about 1% of Teck's revenue in 2022. Reductions in water availability have the potential to increase operating and capital costs and directly affect production. Teck is currently expanding this operation and expects a higher production value in 2023.

#### Country/Area & River basin

Canada Other, please specify (Elk River)

#### Number of facilities exposed to water risk

4

#### % company-wide facilities this represents

26-50

Production value for the metals & mining activities associated with these facilities 10409000000

% company's annual electricity generation that could be affected by these facilities <Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities <Not Applicable>

% company's total global revenue that could be affected 51-60

#### Comment

Each mine site tracks and reports its revenue using reconciled accounting of production sales and prices paid for our products. These four sites produced 58% of revenue in 2022.

In 2022, we continued to implement the Elk Valley Water Quality Plan (the Plan), a long-term approach to address the management of selenium and other substances released by mining steelmaking coal in the Elk Valley. In 2022, Teck produced approximately 21.5 million tonnes of steelmaking coal, representing 58% of total revenue. The Plan was approved in 2014 by the B.C. Minister of Environment and developed in cooperation with governments in Canada and the U.S. as well as with Indigenous groups, communities, independent scientific experts and others. The goal of the Plan is to stabilize and reverse the trend of mine-related substances and to maintain the health of the watershed while allowing for continued sustainable mining in the region where our steelmaking coal operations are located. The Plan is among the largest water quality management programs in the world, and Teck is making significant progress in advancing the Plan and protecting water quality in the Elk Valley.

The Plan establishes short-, medium- and long-term water quality targets, which are protective of the environment and human health, for selenium, nitrate, sulphate and cadmium, as well as a plan to manage calcite formation. In 2022, we continued to implement a range of practices and mitigation projects as part of the Plan, including increasing our overall total treatment capacity up to 77.5 million litres per day. To date, we have spent more than \$1.4 billion so far to implement the Plan; between 2023 and

2024, we plan to invest up to a further \$550 million in work to protect the watershed. For information on our management of water quality in the Elk Valley, see page 22 of our 2022 Annual Report and our website (https://www.teck.com/sustainability/sustainability-topics/water/water-quality-in-the-elk-valley/).

#### Country/Area & River basin

United States of America Other, please specify (Kivalina River)

#### Number of facilities exposed to water risk

1

#### % company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities 2111000000

% company's annual electricity generation that could be affected by these facilities <Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities <Not Applicable>

#### % company's total global revenue that could be affected

11-20

#### Comment

At our Red Dog operation in Alaska, USA, the risk is related to potential impacts to receiving water quality from mine water discharges and the potential for the measures to prevent impacts to the environment to disrupt operations. Each mine site tracks and reports its revenue using reconciled accounting of production sales and prices paid for our products. This site produced 12% of revenue in 2022.

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

#### Country/Area & River basin

Chile Other, please specify (Elqui River)

#### Type of risk & Primary risk driver

Acute physical Drought

#### **Primary potential impact**

Constraint to growth

#### Company-specific description

Demand for water in arid and semi-arid regions may result in water resources becoming unavailable, more costly, or subject of conflicts with communities and other stakeholders. This has the potential to impact the viability of new projects in arid regions. There is also a potential to increase operating and capital costs for existing and new projects for water supply. Water scarcity concerns may also lead to increased regulation and reduced water rights for the mining sector.

#### **Timeframe**

Current up to one year

#### Magnitude of potential impact

Medium

#### Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### **Explanation of financial impact**

Potential financial impacts will vary depending on root cause and selected mitigation response. Teck continues to assess potential costs of different response strategies.

#### Primary response to risk

Engage with local communities

#### **Description of response**

Stakeholder engagement and collaboration on water allocation and associated regulations. Other responses include developing and utilizing alternative water sources to support processing (e.g. seawater, municipal wastewater).

#### **Cost of response**

#### **Explanation of cost of response**

Potential costs of response will vary depending on root cause and selected mitigation response. Teck continues to assess potential costs of different response strategies.

#### Country/Area & River basin

Chile Other, please specify (Quebrada Choja)

#### Type of risk & Primary risk driver

Chronic physical Water stress

#### **Primary potential impact**

Constraint to growth

#### **Company-specific description**

Demand for water in arid and semi-arid regions may result in water resources becoming unavailable or more costly. There is also a potential to increase operating and capital costs for existing and new projects for water supply. Water scarcity concerns may also lead to increased regulation and reduced water rights for the mining sector. Currently, this site uses groundwater to support its operation. Teck is expanding this project and is currently constructing a desalination plant to support its water demands. Delays with construction of the desalination plant and associated conveyance could affect capital costs for the expansion.

#### **Timeframe**

1-3 years

#### Magnitude of potential impact

Medium

#### Likelihood

About as likely as not

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

#### <Not Applicable>

#### **Explanation of financial impact**

Potential financial impacts will vary depending on root cause and selected response. Teck continues to assess potential costs of different response strategies.

#### **Primary response to risk**

Secure alternative water supply

#### **Description of response**

Stakeholder engagement and collaboration on water allocation and associated regulations to support utilizing an alternative water supply.

#### **Cost of response**

#### **Explanation of cost of response**

Potential costs of response will vary depending on root cause and selected mitigation response. Teck continues to assess potential costs of different response strategies.

#### Country/Area & River basin

Canada Other, please specify (Elk River)

#### Type of risk & Primary risk driver

Regulatory Regulation of discharge quality/volumes

#### **Primary potential impact**

Increased operating costs

#### Company-specific description

Potential impact is the increased operating costs resulting from increased quantities of water treatment required at our four steelmaking coal mines in the Elk River watershed of British Columbia.

#### **Timeframe**

More than 6 years

#### Magnitude of potential impact

Medium-low

#### Likelihood

Likely

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### **Explanation of financial impact**

The operating costs associated with water treatment were approximately \$1.5 per tonne in 2022 and are projected to increase gradually over the long term to approximately \$3 per tonne as additional treatment facilities become operational.

#### Primary response to risk

Increase capital expenditure

#### **Description of response**

We have developed the Elk Valley Water Quality Plan (the Plan), which defines the actions we will take to mitigate impacts and to stabilize selenium concentrations downstream from our mining operations. More information on the Plan can be found online (https://www.teck.com/responsibility/sustainability-topics/water/water-quality-in-the-elk-valley/). Our strategy includes significant investment focused on

water treatment facilities, water diversions, research and development, monitoring, and stakeholder engagement

#### **Cost of response**

#### **Explanation of cost of response**

We developed the Elk Valley Water Quality Plan (the Plan), defining actions to mitigate impacts and stabilize selenium concentrations downstream of our operations. Our strategy includes investments focused on treatment facilities, diversions, research and development, monitoring, and stakeholder engagement. To date, we have spent more than \$1.4 billion so far to implement the Elk Valley Water Quality Plan. In 2022, we spent approximately \$184 million on implementation of the Plan and now have capacity to treat approximately 77.5 million litres of water per day, a fourfold increase from our treatment capacity in 2020. We are expecting investments of approximately \$220 million in capital spending in 2023 on water treatment and water management. Over the following two years, from 2023 to 2024, we plan to invest an additional \$450 to \$550million of capital to further improve water management (source control, calcite management and tributary management) and to increase water treatment capacity to 90 million litres per day by the end of 2024.

#### W4.2c

# (W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

|          | Primary reason  | Please explain  |
|----------|---|---|
| Row<br>1 | Risks exist, but<br>no substantive<br>impact<br>anticipated | Our key inputs include energy (fuels and electricity), explosives, grinding media, and chemicals such as sulphuric acid and lime. We do not currently believe our supply chain for these materials is significantly exposed to a water-related risk that has the potential to generate a substantive change in our business. The risk identification procedures discussed under questions W3 to W4.2 comprehensively address our relevant risks, which would include supply risks where they present. That process does not find supply |

| Primary reason | Please explain   |
|----------------|--|
|                | chain water risks relevant at this time and we do not anticipate that this will change in the future. The risk assessment process occurs annually. |

#### W4.3

## (W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

#### W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

#### Type of opportunity

Markets

#### Primary water-related opportunity

Strengthened social license to operate

#### Company-specific description & strategy to realize opportunity

Recognize water as an important opportunity, engage early and broadly, and operate responsibly. This opportunity will increase our potential to gain a community's approval and potentially improve timelines for the permitting process. This may reduce project costs and timelines by identifying more collaborative approaches and by engaging proactively with communities of interest. For example, Teck is engaging with numerous Communities of Interest (COIs) as part of our efforts to address water quality con-

stituents released by mining activities throughout the Elk River watershed, where four of our steelmaking coal operations are located. We also engage early and frequently as part of new project development activities.

#### Estimated timeframe for realization

1 to 3 years

#### Magnitude of potential financial impact

Low

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### **Explanation of financial impact**

Financial impact is uncertain. Our community engagement process is critical to long-term business viability. More information on this can be found at: http://www.teck.com/responsibility/approach-to-responsibility/our-sustainability-strategy/

#### Type of opportunity

Efficiency

#### Primary water-related opportunity

Improved water efficiency in operations

#### Company-specific description & strategy to realize opportunity

Identify and implement projects to improve water use efficiency. Water use efficiency can be improved through enhanced water recycling and reuse and lower water use per tonne of material produced. In 2022, we continued to work towards improving our water use efficiency at our operations. For example, at Carmen de Andacollo we conducted field trials to evaluate the use of additives to reduce the water content of the tailings discharged into the facility. This will lower the amount of water in the tailings facility, which is anticipated to reduce the amount of water lost to evaporation, ultimately leading to the reduction of overall site water consumption. At our steelmaking coal sites, we have advanced tailings research and development projects related to dewatering and co-mingling. Dewatering can reduce or eliminate the accumulation of fine tailings in traditional tailings facilities. It could also reduce the water stored within tailings storage facilities and increase the amount of water we reuse or are able to safely discharge back to the environment. Future water use intensity is expected to decrease as we identify and implement opportunities to reduce water use, share operational best practices, and design and construct new operations.

#### Estimated timeframe for realization

1 to 3 years

#### Magnitude of potential financial impact

Low-medium

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### **Explanation of financial impact**

Financial impact is uncertain due to range of potential efficiency

#### Type of opportunity

Resilience

#### Primary water-related opportunity

Other, please specify (Strengthened social license to operate)

#### Company-specific description & strategy to realize opportunity

Establish reputation as an industry leader in water stewardship – In 2018, Teck began implementing its Water Governance framework to bring consistency on how Teck manages water at its active operations, which includes governance reviews approximately every three years. The water governance reviews assess an operation's water management activities, and practices and systems relative to the Water Policy and Water Governance framework. The intent of the reviews is to support and strengthen each site's water management and technical practices while reducing risks and identifying opportunities to improve site water stewardship. Teck continues to look for opportunities on how the water governance reviews can be improved to support Teck's ability to be a leader in water stewardship.

#### Estimated timeframe for realization

1 to 3 years

#### Magnitude of potential financial impact

Low

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### **Explanation of financial impact**

Financial impact is uncertain.

#### Type of opportunity

Markets

#### Primary water-related opportunity

Strengthened social license to operate

#### Company-specific description & strategy to realize opportunity

Identify and implement projects to improve water quality downstream of our operations. Teck is focused on continued research and development to improve water quality in the short and long term. Examples of this work include:

- Source control: Aggressively pursuing the use of source control technologies in our mined rock facilities, and constructing mined rock facilities to limit air entry and the corresponding natural reactions that generate constituents of interest; in 2022, we advanced our first example of this technology at Cedar North at Elkview Operations
- Alternative water treatment technologies: Exploring the use of smaller in situ water treatment facilities that can be built much closer to where treatment is needed, and evaluating emerging treatment technologies that target mine water constituents of interest
- Mined rock covers: Evaluation of different forms of covers, ranging from vegetative to geomembrane covers, for mined rock piles
- Water Diversions: Clean water diversions can reduce the volume of water affected by waste rock, thereby reducing the amount of water that needs to be treated; we are assessing the contribution of diversions to water quality performance through the construction and monitoring of the Kilmarnock

Creek Diversion at Fording River Operations (FRO), which was commissioned in 2021

Capital spending on water treatment (AWTFs and SRFs) and water management (source control, calcite management and tributary management) was \$184 million in 2022.

#### Estimated timeframe for realization

1 to 3 years

#### Magnitude of potential financial impact

High

#### Are you able to provide a potential financial impact figure?

No, we do not have this figure

#### Potential financial impact figure (currency)

<Not Applicable>

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### **Explanation of financial impact**

Financial impact is uncertain.

#### W5. Facility-level water accounting

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

#### Facility reference number

Facility 1

#### Facility name (optional)

Carmen de Andacollo Operations

#### Country/Area & River basin

Chile Other, please specify (Elqui River)

#### Latitude

-30.242

#### Longitude

-71.083

#### Located in area with water stress

Yes

#### Primary power generation source for your electricity generation at this facility

<Not Applicable>

#### Oil & gas sector business division

<Not Applicable>

#### Total water withdrawals at this facility (megaliters/year)

11816

### Comparison of total withdrawals with previous reporting year About the same Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes 1325 Withdrawals from brackish surface water/seawater 0 Withdrawals from groundwater - renewable 10491 Withdrawals from groundwater - non-renewable 0 Withdrawals from produced/entrained water 0 Withdrawals from third party sources 0 Total water discharges at this facility (megaliters/year) 2212 Comparison of total discharges with previous reporting year Lower Discharges to fresh surface water 0 Discharges to brackish surface water/seawater

0

#### Discharges to groundwater

896

#### Discharges to third party destinations

1316

#### Total water consumption at this facility (megaliters/year)

8734

#### Comparison of total consumption with previous reporting year

Lower

#### Please explain

The reduction in consumptive water use in 2022 at CdA can be attributed to reduced production at this operation in 2022 as well as a change in methodology to calculate evaporative and entrainment losses in the water balance model.

#### Facility reference number

Facility 2

#### Facility name (optional)

**Quebrada Blanca Operations** 

#### Country/Area & River basin

Chile Other, please specify (Quebrada Choja)

#### Latitude

-21.05

#### Longitude

-68.83

#### Located in area with water stress

### Primary power generation source for your electricity generation at this facility <Not Applicable> Oil & gas sector business division <Not Applicable> Total water withdrawals at this facility (megaliters/year) 3051 Comparison of total withdrawals with previous reporting year Higher Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes 1015 Withdrawals from brackish surface water/seawater 0 Withdrawals from groundwater - renewable 2037 Withdrawals from groundwater - non-renewable 0 Withdrawals from produced/entrained water 0 Withdrawals from third party sources 0

Total water discharges at this facility (megaliters/year)

#### Comparison of total discharges with previous reporting year

About the same

#### Discharges to fresh surface water

0

#### Discharges to brackish surface water/seawater

0

#### Discharges to groundwater

312

#### Discharges to third party destinations

0

#### Total water consumption at this facility (megaliters/year)

2305

#### Comparison of total consumption with previous reporting year

Higher

#### Please explain

There was a change in the calculation methodology used to account for evaporation at Quebrada Blanca in 2022 leading to a higher reported water consumption

#### Facility reference number

Facility 3

#### Facility name (optional)

Elk Valley Operations (LCO, EVO, GHO, FRO)

#### Country/Area & River basin

| Canada Other, please specify (Elk River)   |
|--|
| Latitude   |
| 49.8833  |
| Longitude  |
| -114.85  |
| Located in area with water stress No   |
| Primary power generation source for your electricity generation at this facility <not applicable=""></not> |
| Oil & gas sector business division <not applicable=""></not>   |
| Total water withdrawals at this facility (megaliters/year) 175592  |
| Comparison of total withdrawals with previous reporting year Higher  |
| Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes 170872    |
| Withdrawals from brackish surface water/seawater   |
| Withdrawals from groundwater - renewable 4716  |
| Withdrawals from groundwater - non-renewable   |

| Withdrawals from produced/entrained water 0                                 |
|---|
| Withdrawals from third party sources 4                                      |
| Total water discharges at this facility (megaliters/year) 155558            |
| Comparison of total discharges with previous reporting year<br>Higher       |
| Discharges to fresh surface water<br>142638                                 |
| Discharges to brackish surface water/seawater 0                             |
| Discharges to groundwater 12921   |
| <b>Discharges to third party destinations</b>                               |
| Total water consumption at this facility (megaliters/year) 8959             |
| Comparison of total consumption with previous reporting year About the same |
| Please explain  |

Increased precipitation in the Elk Valley area led to increased flow through the operations.

#### Facility reference number

Please select

#### Facility name (optional)

**Red Dog Operations** 

#### Country/Area & River basin

United States of America Other, please specify (Kivalina River)

#### Latitude

#### Longitude

#### Located in area with water stress

No

#### Primary power generation source for your electricity generation at this facility

<Not Applicable>

#### Oil & gas sector business division

<Not Applicable>

#### Total water withdrawals at this facility (megaliters/year)

13156

#### Comparison of total withdrawals with previous reporting year

Lower

#### Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

12530

#### Withdrawals from brackish surface water/seawater

40

| Withdrawals from groundwater - renewable 586                      |
|---|
| <b>Withdrawals from groundwater - non-renewable</b>               |
| Withdrawals from produced/entrained water 0                       |
| Withdrawals from third party sources                              |
| Total water discharges at this facility (megaliters/year) 13213   |
| Comparison of total discharges with previous reporting year Lower |
| Discharges to fresh surface water 13133                           |
| Discharges to brackish surface water/seawater 80                  |
| <b>Discharges to groundwater</b> 0                                |
| <b>Discharges to third party destinations</b>                     |
| Total water consumption at this facility (megaliters/year) 1580   |
| Comparison of total consumption with previous reporting year      |

#### Please explain

#### W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals - total volumes

#### % verified

76-100

#### Verification standard used

PricewaterhouseCoopers LLP was engaged to provide limited-level assurance on selected sustainability areas for the year ending December 31, 2022. For 2022, total water withdrawal for use were verified at all our active operations following the ICMM standard procedure for assurance and GRI indicators and definitions.

#### Please explain

<Not Applicable>

Water withdrawals - volume by source

#### % verified

76-100

Verification standard used

PricewaterhouseCoopers LLP was engaged to provide limited-level assurance on selected sustainability areas for the year ending December 31, 2022. For 2022, water withdrawals were verified at all our active operations following the ICMM standard procedure for assurance.

## Please explain

<Not Applicable>

## Water withdrawals – quality by standard water quality parameters

#### % verified

Not verified

#### Verification standard used

<Not Applicable>

## Please explain

## Water discharges – total volumes

### % verified

Not verified

#### Verification standard used

<Not Applicable>

## Please explain

Water discharges - volume by destination

#### % verified

Not verified

#### Verification standard used

<Not Applicable>

## Please explain

## Water discharges - volume by final treatment level

#### % verified

Not verified

#### Verification standard used

<Not Applicable>

## Please explain

Water discharges – quality by standard water quality parameters

#### % verified

Not verified

#### Verification standard used

<Not Applicable>

## Please explain

Water consumption - total volume

### % verified

Not verified

#### Verification standard used

<Not Applicable>

## Please explain

## W6. Governance

## W6.1

## (W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

## W6.1a

## (W6.1a) Select the options that best describe the scope and content of your water policy.

|          | Scope        | Content   | Please explain   |
|----------|--------------|---|--|
| Row<br>1 | Company-wide | Description of the scope (including value chain stages) covered by the policy Commitment to align with international frameworks, standards, and widely-recognized water initiatives | In 2017, we released a new Water Policy and established a Water Governance framework for improving water stewardship across our company. In addition, we continued our participation in the CEO Water Mandate, a United Nations Global Compact initiative that mobilizes business leaders to advance water stewardship, sanitation, and the Sustainable Development Goal 6 in partnership with the United Nations, governments, peers, civil society and others. In 2020 we released new short and long term water goals for 2025 and 2040. Additional information is available here: https://www.teck.com/sustainability/sustainability-topics/water/ |
|          |              | Commitment to reduce water withdrawal and/or consumption volumes in direct operations Commitment to safely managed Water,   | Teck's Water Policy states that Teck will:  •Apply consistently strong and transparent water governance;  •Manage water at operations efficiently and effectively, and  •Collaborate to achieve responsible and sustainable water use.  Our Water Policy is available on our website:  |

| Scope | Content                  | Please explain   |  |  |  |
|-------|--------------------------|--|--|--|--|
|       | Sanitation and Hygiene   | https://www.teck.com/sustainability/approach-to-responsibility/policies-and- |  |  |  |
|       | (WASH) in the workplace  | commitments/policies/water-policy/   |  |  |  |
|       | Commitment to            |  |  |  |  |
|       | stakeholder education    | Our Approach to Water Stewardship is available on our website:               |  |  |  |
|       | and capacity building on | https://www.teck.com/media/Teck_Approach_to_Water_Stewardship_2021.pdf       |  |  |  |
|       | water security           |  |  |  |  |
|       | Commitment to water      |  |  |  |  |
|       | stewardship and/or       |  |  |  |  |
|       | collective action        |  |  |  |  |
|       | Commitment to the        |  |  |  |  |
|       | conservation of          |  |  |  |  |
|       | freshwater ecosystems    |  |  |  |  |
|       | Recognition of           |  |  |  |  |
|       | environmental linkages,  |  |  |  |  |
|       | for example, due to      |  |  |  |  |
|       | climate change           |  |  |  |  |

## W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?
Yes

## W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

| Position of individual or committee | Responsibilities for water-related issues   |
|-------------------------------------|---|
| Board-level<br>committee            | At the Board level, the Committee on Safety and Sustainability provides oversight of water issues and strategies. This includes incorporating water considerations into corporate-level strategies and capital investment decisions. Water risks and opportunities are identified using risk management tools internal to Teck, and rely on both internal and external expertise on water. These risks and opportunities are then prioritized based on their likelihood of impacting our business and the severity of impact and are considered in our overall corporate governance and strategic planning. |

## W6.2b

## (W6.2b) Provide further details on the board's oversight of water-related issues.

|          | Frequency that water-related issues are a scheduled agenda item | Governance<br>mechanisms into<br>which water-related<br>issues are integrated  | Please explain  |
|----------|---|--|---|
| Row<br>1 | Scheduled - all meetings  | Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans | Teck's Board of Directors provides ultimate oversight on all strategic matters, including the risks and opportunities related to water. The board has established the Safety and Sustainability Committee (SSC), chaired by a member of the Board. The SSC has responsibility for reviewing and, where appropriate approving significant water-related policies, strategy, and information, such as Teck's Water Policy. The SSC also reviews and monitors environmental performance (including water performance) and makes recommendations to the Board of Directors. The SSC meets and reports to the company's Board of Directors quarterly.  During SSC meetings, water management is regularly discussed. Recent meeting discussions have included understanding the risks and opportunities of physical climate change on the mining sector, implementation of and updating our sustainability strategy including its water related goals, understanding developments related to closure and reclamation bonding, and implementation of the Elk Valley |

| Frequency that | Governance                          | Please explain  |
|----------------|-------------------------------------|---|
| water-related  | mechanisms into which water-related |   |
| issues are a   |                                     |   |
| scheduled      | issues are integrated               |   |
| agenda item    |                                     |   |
|                | Reviewing and                       | Water Quality Plan.   |
|                | guiding corporate                   | The underlying information and control systems used to prepare water-related in-    |
|                | responsibility strategy             | formation to the board utilize both internal and external subject matter expertise. |
|                | Reviewing and                       |   |
|                | guiding major plans of              |   |
|                | action                              |   |
|                | Reviewing and                       |   |
|                | guiding risk                        |   |
|                | management policies                 |   |
|                | Reviewing and                       |   |
|                | guiding strategy                    |   |
|                | Reviewing                           |   |
|                | innovation/R&D                      |   |
|                | priorities                          |   |
|                | Setting performance                 |   |
|                | TOCKLING PERIORITIANION             |   |

## W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

|          | Board member(s)<br>have competence<br>on water-related<br>issues | Criteria used to assess competence of board member(s) on water-related issues   | Primary reason for<br>no board-level<br>competence on<br>water-related<br>issues | Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future |
|----------|--|---|--|---|
| Row<br>1 | Yes  | The Board of Directors Safety and Sustainability Committee, as well as the HSEC Risk Management Committee include water risks as part of their scope. We also use qualified water professionals and independent third-party review processes to guide and review our board-level decision-making related to water | <not applicable=""></not>  | <not applicable=""></not>   |

### W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

## Name of the position(s) and/or committee(s)

Risk committee

### Water-related responsibilities of this position

Assessing water-related risks and opportunities

### Frequency of reporting to the board on water-related issues

Quarterly

### Please explain

The Board has delegated responsibility for water matters to the Safety and Sustainability Committee of the Board. The Senior Management Health, Safety, Environment, and Community Risk Management Committee present results and develop action plans for water risks, and the VP Environment and SVP

Sustainability and External Affairs report to the Safety and Sustainability Board committee. Water issues and strategy are reviewed, and key decisions are approved quarterly by the Board based on recommendations from the Safety and Sustainability Committee. More information about Teck's governance processes for water is here:

https://www.teck.com/media/Teck\_Approach\_to\_Water\_Stewardship\_2021.pdf

## Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

### Water-related responsibilities of this position

Other, please specify (Ensuring the development of water strategy)

#### Frequency of reporting to the board on water-related issues

Quarterly

#### Please explain

The CEO and the Senior Management Team are responsible for operational water issues and strategy. Water issues and strategy are reviewed and action plans defined as part of regular activities, and through the executive level Health, Safety and Community Risk Management Committee and reported to the Board quarterly as part of the Board Safety and Sustainability Committee meetings. More information about Teck's governance processes for water is here

https://www.teck.com/media/Teck\_Approach\_to\_Water\_Stewardship\_2021.pdf

#### W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of waterrelated issues?

|          | Provide incentives for management of water-related issues |  |
|----------|---|--|
| Row<br>1 | Yes   | Particular members of Teck's management team are incentivized to manage sustainability-related issues, including water (which includes improving our mine water quality from our direct operations), primarily through the business unit and personal component of the bonus plan. In addition, all members of our senior management team have at least 5% of their annual total target bonus based on sustainability performance, which includes water. |

## W6.4a

# (W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

|                    | Role(s)<br>entitled to<br>incentive | Performance indicator                                  | Contribution of incentives to the achievement of your organization's water commitments  | Please explain   |
|--------------------|-------------------------------------|--|---|--|
| Monetary<br>reward | Corporate<br>executive<br>team      | Improvements in wastewater quality – direct operations | Encourage operations to implement innovative water management and water treatment solu- tions to protect water quality downstream of all our operations | Teck's bonus compensation structure is based on objectives outlined through three components: corporate, business unit and personal. Across the three components, objectives related to sustainability performance including water affect approximately 10%–20% of the bonus as a whole. Particular members of Teck's management team are incentivized to manage sustainability-related issues, including water (which includes improving our mine water quality from our direct operations), primarily through the business unit and personal component of the bonus plan. In 2022, progress towards implementation of Teck's 2025 Sustainability Strategy (including water) was part of the personal objectives of our CEO and our Senior Vice President (SVP), Sustainability and External Affairs (SEA). |

|                            | Role(s)<br>entitled to<br>incentive                    | Performance indicator   | Contribution of incentives to the achievement of your organization's water commitments  | Please explain  |
|----------------------------|--|---|---|---|
| Non-<br>monetary<br>reward | Corporate executive team Chief Executive Officer (CEO) | Improvements in<br>wastewater<br>quality – direct<br>operations | Encourage operations<br>to implement innovative<br>water management and<br>water treatment solu-<br>tions to protect water<br>quality downstream of<br>all our operations | Teck has an Excellence Awards program to recognize individuals including corporate executives if they show excellence in an area, including water stewardship and sustainability. The program involves nomination by others and undergoes rigorous review. Winners receive recognition through company communications as well as the ability to attend off site events. |

## W6.5

## (W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

Yes, trade associations

Yes, funding research organizations

### W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Activities that directly or indirectly influence public policy on water including direct engagement with policy makers, trade associations, and funding of research are all reviewed and approved as part of the

activities of our Senior Management Team, our HSEC Risk Management Committee, and/or our Board Committee on Safety and Sustainability to ensure that the activities are consistent with our Water Policy and Water Governance framework. Our corporate Government Relations team also provides companywide oversight, quidance and follow up of any potential inconsistencies.

## W6.6

## (W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

## W7. Business strategy

### W7.1

## (W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

|                       | Are water-<br>related<br>issues<br>integrated? | Long-<br>term<br>time<br>horizon<br>(years) | Please explain   |
|-----------------------|--|---|--|
| Long-term<br>business | Yes, water-<br>related                         | 16-20                                       | Integrating sustainability, including water, into our business is a core part of our long-term business objectives. In 2010, we developed a publicly available and company-wide sustain- |

|  | Are water-<br>related<br>issues<br>integrated?     | Long-<br>term<br>time<br>horizon<br>(years) | Please explain  |
|--|--|---|---|
| objectives   | issues are<br>integrated                           |   | ability strategy to define Teck's vision, short term goals, and long-term goals in key focus areas, including water. Our long-term goals span through to 2040 and are intended to drive our water strategy and short-term actions. In 2020 we released new short-term goals and long-term strategic priorities for water. Our new long-term strategic priorities for water are to 1) transition to seawater or low-quality water sources for all operations in water-scarce regions by 2040, and to 2) implement innovative water management and water treatment solutions to protect water quality downstream of all our operations. Our new short-term goals are to 1) design all development projects in water-scarce regions with a seawater or low-quality water source by 2025, and to 2) implement new source control or mine design strategies and water treatment systems to further advance efforts to manage water quality at our operations by 2025.  |
| Strategy for<br>achieving<br>long-term<br>objectives | Yes, water-<br>related<br>issues are<br>integrated | 5-10  | Integrating sustainability, including water, into our business is a core part of our long-term business objectives. In 2010, we developed a publicly available and company-wide sustainability strategy to define Teck's vision, short term goals, and long-term goals in key focus areas, including water. Our long-term goals span through to 2040 and are intended to drive our water strategy and short-term actions. In 2020 we released new short-term goals and long-term strategic priorities for water. Our new long-term strategic priorities for water are to 1) transition to seawater or low-quality water sources for all operations in water-scarce regions by 2040, and to 2) implement innovative water management and water treatment solutions to protect water quality downstream of all our operations. Our new short-term goals are to 1) design all development projects in water-scarce regions with a seawater or low-quality water source by 2025, and to 2) implement new source control or mine design strategies and water treatment systems to further advance efforts to manage water quality at our operations by 2025. |
| Financial planning                                   | Yes, water-<br>related<br>issues are<br>integrated | 5-10  | Our annual and five year financial plans incorporate water related issues and activities that support the achievement of our water goals.   |

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

#### Row 1

```
Water-related CAPEX (+/- % change)
-23

Anticipated forward trend for CAPEX (+/- % change)
16

Water-related OPEX (+/- % change)
50

Anticipated forward trend for OPEX (+/- % change)
25
```

## Please explain

Our Capex spending trends are based on our capital spending for the EVWQP, which is the majority of our water capital spending. Capital spending on water treatment and water management in 2023 is expected to be approximately \$220 million, including expansion of treatment and advancing management of calcite This compares to approximately \$184 million of capital spending on water treatment in 2022 to implement the activities in the Elk Valley Water Quality Plan.

## (W7.3) Does your organization use scenario analysis to inform its business strategy?

|          | Use of scenario analysis | Comment   |
|----------|--------------------------|---|
| Row<br>1 | Yes                      | In our 2021 Climate Change Outlook Report we describe three global temperature increase scenarios that guide our overall scenario analysis for risk and business planning. These scenarios are based on the International Energy Agency's robust datasets. We recognize that external factors such as changes to climate could pose a potential physical risk to our mining operations and related infrastructure. In response, we are incorporating a range of water-specific climate parameters into project designs and ongoing mine planning processes, including closure and reclamation planning, to minimize our vulnerability to climate variability. In 2021, we continued participation on the Steering Committee of MAC's work to develop a climate change risk and adaptation best practices guidance document for the mining sector that was released in June 2021.  Additional details are provided in our 2022 CDP Climate response. |

## W7.3a

# (W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

|          | Type of scenario<br>analysis used                                       | Parameters,<br>assumptions,<br>analytical<br>choices | Description of possible water-related outcomes   | Influence on business strategy  |
|----------|---|--|--|---|
| Row<br>1 | Water-related<br>Climate-related<br>Socioeconomic<br>Land-use<br>change | Internally developed climate scenarios               | Our operations have developed water management plans and water balances to assess risks and opportunities to current and future water availability, including impacts from climate.  These are updated on an annual basis, or more frequently, as needed. The climate scenarios developed are site-specific and based on statisti- | Both short term (current year) and long-<br>term (5+ years) results from modelling<br>inform water management actions. For<br>example, where climate change is pre-<br>dicted to reduce availability of water<br>supply, we assessed options for addi-<br>tional supply in conjunction with reuse |

| Type of scenario<br>analysis used | Parameters,<br>assumptions,<br>analytical<br>choices | Description of possible water-related outcomes  | Influence on business strategy  |
|-----------------------------------|--|---|---|
|                                   |  | cal evaluation of historical site-specific and regional meteorological data to develop statistics of future climate conditions. | of existing water supply sources and improving efficiencies of current water use within the operation |

### W7.4

## (W7.4) Does your company use an internal price on water?

#### Row 1

## Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

## Please explain

Our Water Policy commits us to integrate the cost and value of water into our business. We do not apply a single approach to water valuation. We are implementing water criteria into our capital spending decision making processes that allow us to have a holistic understanding of the value of water. We also include project-specific water criteria in project planning options trade-off studies.

### W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

|          | Products and/or<br>services classified<br>as low water impact | Definition used<br>to classify low<br>water impact | Primary reason for not<br>classifying any of your current<br>products and/or services as low<br>water impact | Please explain   |
|----------|---|--|--|--|
| Row<br>1 | ,   | <not<br>Applicable&gt;</not<br>                    | Other, please specify (We use intensity criteria)  | We have not completed a benchmarking assessment to determine if our operations meet low water impact criteria. We currently assess our water use impact on an intensity basis (water use per unit of ore processes). |

## W8. Targets

## W8.1

(W8.1) Do you have any water-related targets?

Yes

## W8.1a

# (W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

|                   | Target set in this category | Please explain            |
|-------------------|-----------------------------|---------------------------|
| Water pollution   | Yes                         | <not applicable=""></not> |
| Water withdrawals | Yes                         | <not applicable=""></not> |

|  | Target set in this category                         | Please explain |
|--|---|----------------|
| Water, Sanitation, and Hygiene (WASH) services | No, and we do not plan to within the next two years |                |
| Other  | No, and we do not plan to within the next two years |                |

## W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

## Target reference number

Target 1

## **Category of target**

Water withdrawals

## Target coverage

Company-wide (direct operations only)

#### **Quantitative metric**

Other, please specify (By 2025, implement new source control or mine design strategies and water treatment systems to further advance efforts to manage water quality at our operations.)

## Year target was set

2019

## Base year

2020

## **Base year figure**

### **Target year**

2025

## **Target year figure**

### Reporting year figure

## % of target achieved relative to base year

<Calculated field>

## Target status in reporting year

Underway

## Please explain

We are on track with our goal. In 2022, we completed construction of a Saturated Rock fill and an Active Water Treatment Facility at Fording River Operations. By the end of 2022, we achieved a treatment capacity of up to 77.5 million litres per day at our steelmaking coal operations in south east British Columbia. We continued to improve nitrate source control from blasting at our steelmaking coal operations. At our Red Dog Operations within our base metals business unit we commissioned a new reverse osmosis water treatment plant to improve water discharge and to adapt to the changing climate, and we began full-scale construction of a waste stockpile cover.

## Target reference number

Target 2

### **Category of target**

Water withdrawals

#### **Target coverage**

Country/area/region

#### **Quantitative metric**

Other, please specify (By 2025, design all development projects in water-scarce regions with a seawater or low-quality water source)

| Y  | ear target was set  |
|----|---|
| 20 | 019   |
|    |   |
| В  | ase year  |
| 20 | 020   |
| В  | ase year figure   |
| Ta | arget year  |
|    |   |
| ۷  | 025   |
| Ta | arget year figure   |
|    |   |
| R  | eporting year figure  |
| %  | of target achieved relative to base year  |
|    | Calculated field>   |
| <( | Calculated field>   |
| Tá | arget status in reporting year  |
| U  | nderway   |
| P  | lease explain   |
|    | ·   |
|    | e are on track with our goal. In 2022 we completed the construction of a seawater desalination facil- |
| it | y at our QB2 project in Chile.  |

## (W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

No, we are waiting for more mature verification standards and/or processes

## W10. Plastics

## W10.1

## (W10.1) Have you mapped where in your value chain plastics are used and/or produced?

|          | Plastics mapping   | Value chain stage               | Please explain   |
|----------|--|---------------------------------|--|
| Row<br>1 | Not mapped – and we do not plan to within the next two years | <not<br>Applicable&gt;</not<br> | We do not produce plastics. We have not completed value chain mapping to identify where plastics are used or produced. |

## W10.2

# (W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

|     | Impact assessment                    | Value chain stage | Please explain   |
|-----|--------------------------------------|-------------------|--|
| Row | Not assessed – and we do not plan to |                   | We do not produce plastics. We have not completed an assessment of the potential effects of our use of plastics. |

|   | Impact assessment         | Value chain stage | Please explain |
|---|---------------------------|-------------------|----------------|
| 1 | within the next two years |                   |                |

## W10.3

## (W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

|          | Risk exposure  | Value chain stage               | Type of risk                    | Please explain   |
|----------|--|---------------------------------|---------------------------------|--|
| Row<br>1 | Not assessed – and we do not plan to within the next two years | <not<br>Applicable&gt;</not<br> | <not<br>Applicable&gt;</not<br> | Plastic related risks have not been identified across the value chain. |

## W10.4

## (W10.4) Do you have plastics-related targets, and if so what type?

|       | Targets in place                                     | Target type               | Target metric             | Please explain |
|-------|--|---------------------------|---------------------------|----------------|
| Row 1 | No – and we do not plan to within the next two years | <not applicable=""></not> | <not applicable=""></not> |                |

### W10.5

|  | Activity applies | Comment |
|--|------------------|---------|
| Production of plastic polymers   | No               |         |
| Production of durable plastic components   | No               |         |
| Production / commercialization of durable plastic goods (including mixed materials)                            | No               |         |
| Production / commercialization of plastic packaging  | No               |         |
| Production of goods packaged in plastics   | No               |         |
| Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services) | No               |         |

## W11. Sign off

## W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

## W11.1

## (W11.1) Provide details for the person that has signed off (approved) your CDP water response.

|       | Job title                                       | Corresponding job category    |
|-------|---|-------------------------------|
| Row 1 | Senior Vice President & Chief Financial Officer | Chief Financial Officer (CFO) |