

2009 Sustainability Report Review Panel Commentary and Recommendations

This is Teck's third Sustainability Report to be reviewed by an independent Panel. Teck engaged Solstice Sustainability Works Inc. to facilitate a process whereby a Panel representing a diversity of interests and expertise provided constructive critique to help Teck improve its reporting. This report was prepared by Solstice to synthesize the observations and recommendations of the Panel. We are very grateful to all Panel participants for contributing their knowledge and experience to this process. The *Management Response* sections of this report show how Teck is learning from the process and acting on it.

Panel Structure – How we did it

Panelists were selected based on their experience, their perspective, and their ability and willingness to provide candid feedback on the sustainability report, as well as Teck's approach to managing sustainability and their sustainability performance. Most of the Panel members were new this year, although some came from organizations that had participated previously. Returning Panelists provided valuable continuity while new panelists provided fresh perspectives. All of the Panelists, with the exception of the two Teck employees, were external to Teck. The two employees did not have direct sustainability responsibilities. The Panel included the following people:

- Ximena Abogabir, Casa de la Paz Foundation, Chile (by phone April 15 only)
- Jennifer Coulson, NEI Investments
- Casey Brennan, Wildsight
- Ginger Gibson, University of British Columbia, Mining Engineering Department
- Robert Jolly, Teck (Trail)
- Stephen Kibsey, Caisse de dépôt et placements du Québec (April 15 only)
- Boris Lum, Teck (Geophysicist, Vancouver)
- Jeremy Moorhouse, Pembina Institute
- James Morin, BCIT, Aboriginal Minerals Training Program
- Rosemary Phillips, Ktunaxa First Nation, Economic Development
- Jason Rutman, NANA Regional Corporation

The Panel commended Teck for inviting their feedback and recommended that Teck include a union official in the next Panel process. The scope of the Panel's review included the printed 2009 Summary Sustainability Report and the full 2009 Sustainability Report, available online in a separate website (the "Report"). The Panel met on April 14-15, 2011 in Vancouver at an off-site location and was facilitated by an independent consultant from Solstice Sustainability Works. Teck representatives provided an overview of the 2009 Sustainability Report at the beginning of the meeting and an update on the company's sustainability strategy process, and attended at the end to hear a summary of the feedback.

The facilitator circulated detailed notes to the Panel members and prepared this Review Report. Panel members reviewed the Review Report and agreed to have their name included. Teck management reviewed it and added their response. Panelists were reimbursed for travel costs and Teck offered a modest honorarium or donation to a charity of their choice.

Our response: We wish to add our thanks to all the Panel members for their excellent suggestions. We take them very seriously. In fact, we found that one reporting cycle was not enough to comprehensively address the Panel's recommendations and we kept working on them with our 2011 report which we released in August 2012. In our responses below we set out the steps we took in our 2010 and 2011 reporting to apply what we learned from the Panel and we explain the few instances where we declined to follow the Panel's suggestions.

Panel Results – What we learned

Comments on Teck's Sustainability Strategy

To launch the Panel process, Teck provided an update on how the company is developing its sustainability strategy and further embedding a culture of sustainability at Teck. The Panel commended Teck for this initiative and expected to see future reports aligned with the new strategy. They noted that the introductory sections of the 2009 Report demonstrate that Teck is thinking strategically about sustainability and has made it a corporate priority.

The Panel offered these suggestions for Teck to consider as in the roll-out of the strategy:

- Define what success looks like for the current strategy initiative
- Ensure that the strategy can respond to new issues and emerging priorities
- Take a systems approach to ensure that new ways of thinking and acting become fully implemented at the operational level
- Show how the current strategy positions Teck to meet its vision for the next century
- Continue to track progress with the Our Progress table and add short and long term goals that show the path towards the vision
- Highlight key successes and contentious areas in relation to the strategy, in each section of the Report
- Celebrate positive changes in culture as they occur

Our Response: In 2010 we launched our strategy for sustainability, which identifies the six focus areas that represent the company's most significant sustainability challenges and opportunities: Community, Water, Biodiversity, Energy, Materials Stewardship, and Our People. Along with our strategy, we published visions for each focus area along with short- and long-term goals, against which we will be reporting our progress annually.

Our implementation plan is flexible enough to allow for updates to the strategy as required to respond to new priorities. Key elements of the strategy implementation incorporate the Panel's suggestions above, including: senior management endorsement; disclosure and communication of the sustainability strategy; establishing mechanisms for communication of knowledge, approaches, progress and stories; embedding of sustainability strategy into Teck's decision making processes and management systems; priority assessment, objective setting, and actions; monitoring and reporting.

Comments on Materiality

This year, as part of its mandate, the Panel was asked to provide feedback on how Teck had identified and presented its material issues and interests, that is, the issues and interests that may affect the long-term success of the business, including Teck's ability to create and preserve economic, environmental and social value, and those that have the potential to influence the perception of communities of interest, including those who make decisions and assessments about our commitment to sustainability.

1. Continue to identify, prioritize and report on material issues

The Panel commended Teck for identifying material issues but would like more detail on how the material issues were identified. They found the table of material issues to be well done; however, they recommended replacing the *What are we doing?* paragraphs in the table with page references and links because of the difficulty in comprehensively responding to material issues in such concise paragraphs. The Panel also recommended adding a materiality graphic in the form recommended by the Global Reporting Initiative (GRI) to show how issues are prioritized by Teck and its Communities of Interest (COIs).

Our response: We agree with the Panel's recommendation. In our 2010 Report, we expanded the detail on how we identified our material issues and removed the descriptive paragraphs. However, we did not provide page references and links, nor did we include a materiality graphic. In our 2011 Report, we again expanded our materiality analysis this time to a three-step process that included: identifying our material issues and interests, prioritizing the significance of each to both Teck and our COIs, and validating the completeness of our analysis. We incorporated an extensive description of this process and have

included a diagram to show how issues and interests are prioritized by Teck and its communities of interest, as recommended by the GRI's Technical Protocol on Applying the Report Content Principles.

2. Consider material “themes”

The Panel commented that the Report, as well as the summary report, did not convey the importance of Indigenous Peoples to Teck. The Indigenous Peoples sections of both reports were relatively small. As an alternative to, or in addition to, putting the discussion of indigenous peoples in one section of the report, the Panel recommended reflecting this Indigenous Peoples' perspective as a recurring theme throughout the Report and providing an indigenous perspective on certain issues, such as Land Use and Access, and Water. The Mining Life Cycle is another, where the Panel pointed out that there is an earlier stage than exploration – one of relationship building or re-building where legacy issues first have to be addressed. Diversity and equal opportunity, especially in relation to women and indigenous peoples, could also be effectively used as a theme for future reports.

Our response: We agree with the Panel's observations that our report could provide more information on the importance of our relationships with Indigenous Peoples. We recognize that Indigenous Peoples have unique interests and concerns related to development and have identified our relationships with Indigenous Peoples as a material issue and interest. We framed our 2010 and 2011 reports around the sustainability focus areas of our sustainability strategy, and the discussion on Indigenous People is included under the Community focus area. We do not anticipate theming future reports centrally around an Indigenous People's perspective, but we continue to expand our reporting on issues of significance to Indigenous People, such as land use and access and biodiversity and employment opportunities. In accordance with the Panel's recommendation, we have also added community engagement as the first phase of the mining life cycle diagram, and have illustrated its continuance throughout all phases.

3. Consider adding material issues

The Panel recommended that the following issues be considered either as distinct material issues, or clearly identified as part of a material issue in the table:

Air emissions

Issues related to particulate matter, air contaminants and air borne toxins did not appear as an identifiable issue, but can be a significant concern for communities and workers.

Legacy issues

Legacy issues are important to local communities and affect their lasting memory of Teck. The Panel noted that the Pinchi Lake Legacy Fund is included in the Indigenous People issue. They pointed out that legacy issues have also been significant for Teck at Trail and Carmen de Andacollo.

Contracting of services

The Panel wanted information on how Teck ensures that policies and practices are followed when production or services are contracted out to other companies. This aspect of supply chain management has become a material sustainability issue in other industries though it has not appeared much in mining company reports. It could be part of Business Ethics and Governance.

Planning for closure

The Panel suggested that planning for closure and rehabilitation could be a material issue because to properly consider rehabilitation at the planning stage of a mine could significantly affect how the mine operates. Land reclamation was reported in 2009 as part of the Biodiversity and Ecosystem Impacts issue, but not as a planning responsibility.

Safety and health

While safety and health was identified as a material issue, the Panel suggested that its importance warranted more space in the Report. See Comments on content for specific issues related to Safety and Health.

Governance

This is part of the material issue Business Ethics and Governance. The Panel would like to see governance issues given greater weight, especially the capital structure with A and B class shares, and opportunities for Communities of Interest to interact with the Board.

Our response: We appreciate the Panel's feedback and ensured that these topics were included in the scope of our 2011 Sustainability Report materiality analysis. Our analysis indicated that governance and safety and health are material issues and interests to Teck. The other issues suggested by the panel, with the exception of contracting of services, have been incorporated as components of broader material issues and interests. We used our 2011 materiality assessment to further guide our writing, ensuring that we placed more emphasis on our material issues in our 2011 Report than we have in the past.

Recommendations for Report Content

The Panel was encouraged to see new material in the report that responds to previous Panel recommendations. The Panel wishes to highlight some of the many examples of good reporting in Teck's 2009 Report. Some of the best features of the 2009 Report that should be continued and further developed are:

- Your concerns, our response sections
- Our Progress table
- Material Issues analysis
- Strategy and management context for sustainability
- Independent assurance
- Information on agreements and relationships with Indigenous Peoples
- Detailed information on energy use and GHG emissions

The Panel has also made recommendations for improvement in the content of future reports. Content issues that were identified by the Panel as priorities are discussed here. Other less significant issues and suggestions were shared with Teck but are not included in this commentary, to keep the focus on the issues the Panel most wanted addressed.

1. Explain data inconsistencies

The Panel found inconsistencies between the 2009 Sustainability Report and the corresponding Proxy Circular relating to safety and health data and number of sites with certified environmental management systems. The Panel recommended explaining these differences clearly so ensure the credibility of the reporting is maintained.

Our response: We agree with the Panel's suggestion and have included footnotes in our 2010 and 2011 reports, and will continue to do so in future reports, explaining these types of data differences.

With regards to safety data, historical safety data can change depending on the date a report is generated. This is because new information or a reclassification of injuries may change the originally reported data. Earlier reporting and improved data management processes should reduce the number of data inconsistencies across our various external reports.

2. Monitor effectiveness of Courageous Safety Leadership program

The Panel regarded the Courageous Safety Leadership (CSL) program as an important exercise in developing a culture of safety. The Panel wanted to know how safety messages are consistently reinforced at all levels and across all operations, and how this translates into improved safety performance. For future reports, the Panel wanted to see evidence that the CSL program is working effectively at all operations.

Our response: Safety is a core value at Teck and we are committed to embedding a culture of safety across the organization, so that everyone goes home safe and health every day. Courageous Safety Leadership (CSL) is a part of a broader Health and Safety strategy that includes both technical programs and a cultural approach. A balanced safety system not only requires excellent technical programs, it requires that we build a culture where every employee has the courage, the leadership and the

commitment to put safety at forefront of their beliefs, attitudes and actions. We included a Case Study on Our Courageous Safety Leadership Journey in our 2010 Sustainability Report describing how we have implemented the program and continue to reinforce the program through ongoing training, messaging, and practices. In 2011 we achieved our lowest total reportable injury frequency rate ever, with an 18% improvement over our 2010 rate. In addition, our frequency of serious and potentially fatal incidents was down 37% over 2010. Finally, the majority of operations implemented significant technical and cultural safety initiatives through 2011 and maintained a consistent engagement through Courageous Safety Leadership and our Visible, Felt Leadership initiative. Our 2011 Report provides a discussion on the CSL program and highlights these statistics.

3. Explain how Teck is managing asbestos and other air quality risks

The Panel recommended more coverage of occupational health risks related to air quality and potentially toxic materials and supplies. The Panel highlighted asbestos as a key risk area that should be included in future reports.

Our response: Although we recognize the importance of air quality to many of our COIs, we do not view asbestos management as a material risk and therefore did not specifically address it in our 2010 or 2011 reports. We continue to manage our occupational health risks through our field level risk assessments, compliance monitoring, individual hygiene sampling and monitoring as well as maintaining up to date registries of hazardous materials at all operations. In addition to these activities, we ensure compliance through a robust and thorough auditing process. Hazardous materials management, including asbestos identification and management are thoroughly reviewed in these compliance audits, and any identified deficiencies are promptly addressed.

4. Retention and workforce planning

Attracting and retaining talented employees is recognized in the 2009 Report as an important issue and key challenge for the industry. The Panel was pleased to see detailed data on employee turnover by age and gender, which addresses a prior Panel recommendation, but noted it could show multi-year comparatives, enabling the reader to more easily identify operations that were most affected by turnover or workforce reduction of 2009. The Panel also wanted to know more about the “stories behind the numbers” to better understand how Teck is preparing for the future retention challenges, especially as the baby-boom cohort retires. The Panel recommended including a histogram to show the age distribution in Teck’s workforce over the last 5-10 years.

Our response: We concur with the Panel’s assessment that we could improve our reporting on the stories behind the numbers in this section. We have several short-term 2015 goals focused on enhancing employee attraction and development, and our 2011 Report discusses some of the key initiatives undertaken to help us achieve these goals. We also expanded our discussion on talent attraction and development and employee retention and will continue to discuss our progress on these goals in future. We agree with the Panel’s recommendations to enhance our employee data and have added several new graphs and tables to the Our People section of our 2011 Report, including a pie chart showing our global workforce by age and gender, and a table outlining the number of new hires by gender and country. In regards to reporting multi-year comparisons for turnover data at a site level, we feel that this would take more space in the report than is warranted by external interest. We currently provide turnover data at a country level and will provide multi-year turnover comparisons at a country level starting in 2012.

5. Provide more depth of analysis on water issues

All of the situations Teck features in the Your Concerns, Our Response section have a water dimension – Athabasca River flows, water scarcity in Chile, water quality permitting in Alaska, and elevated selenium concentrations downstream of coal operations. The Panel was encouraged to see water recognized as a material issue and looks forward to greater depth of reporting on the growing competition for this vital resource among water users.

Our response: Water continues to be a material issue for Teck. We have identified water as one of our six sustainability focus areas and recently identified it as a corporate priority. Accordingly, we have set both short- and long-term goals related to water quality, water quantity and water allocation. Also in 2010, we added a new water management standard to our Environmental, Health and Safety and Community

Management Standards. We expanded our reporting on water management and related issues in our 2010 Report, and we have further increased our discussion of water issues in our 2011 Report, including discussing how we determine which of our operations are located in regions with scarce water resources and our strategic approach to managing water.

6. Improve reporting on cumulative impacts

Teck's reporting on biodiversity has not changed much from 2008 except for the specific case studies profiled. The Panel repeats its recommendation from 2007 and 2008 that Teck develop its ability to report on cumulative impacts. The Panel felt this is especially important for operations in areas experiencing rapid development. As Teck becomes more involved in oil sands production, it will add impacts to already stressed water bodies and ecosystems.

Our response: We acknowledge that our reporting on biodiversity did not change significantly between 2007 and 2009. In 2010, Biodiversity became one of our six sustainability focus areas with our vision being to achieve a net positive impact on biodiversity in the areas where we operate. Consequently, we expanded the biodiversity section in our 2010 and 2011 reports to discuss our efforts in this area. We will focus on our goals of developing plans at sites to offset ecosystem impacts, develop comprehensive biodiversity management plans, contribute to biodiversity conservation knowledge, and identify and implement biodiversity improvement and conservation opportunities. While we will study and consider cumulative impacts in the areas where we operate, we do not plan to externally report on this.

7. Demonstrate learning from environmental incidents

The Panel felt that Teck's reporting on spills, compliance, and environmental management generally is a good example of transparency. The Panel commended Teck for the instances in which it also reported on what it learned from the compliance incidents and how it responded to improve future performance and encouraged Teck to continue demonstrating learning, not just as individual cases, but system wide.

Our Response: We appreciate the Panel's recognition of our efforts. It is important that we learn from environmental incidents, seek opportunities for continual improvement, and build on our successes. We hope our lessons learned might also be of value to our peers or other COIs and we will continue to discuss our lessons learned in future reports.

8. Evaluate success of social management tools and approaches

The Panel commented on the language in the CEO letter, noting that "a deeper understanding" was appropriate and appreciated because it signals that Teck is working to understand the communities. The Panel was also encouraged to see Teck developing the capability for social management and would like to see Teck evaluate the success of these approaches and discuss the lessons learned from applying:

- Teck's Code of Sustainable Conduct
- Human rights screening tools and impacts assessments
- Whistleblower policies
- Dialogue training

Our Response: We improved our social management systems in 2010 through the development of the SMART toolkit, TrackLine and continued dialogue training for relevant staff. In 2011, we officially launched the SMART toolkit, releasing seven tools to assist our sites with managing social risks and impacts. We also launched TrackLine, a central database for tracking, monitoring and reporting on engagement with external communities of interest. We have trained more than 200 users across the company on how to use TrackLine to manage feedback and grievances from COIs and mitigate risk. Additionally we held several dialogue training courses, helping us to empower our employees with the skills of dialogue.

It is challenging to quantitatively assess the success of these initiatives as results are often qualitative and anecdotal. We share successes through case studies in our Report. For example, page 26 of our 2011 Sustainability Report describes how our SMART Exploration Tool helped us successfully complete a 2011 geophysics campaign ahead of schedule and in an area characterized with high social risks.

We regard success as our ability to earn and maintain our social license to operate through engaging and developing constructive relationships with our COIs. We will continue to discuss lessons learned in our report, and where appropriate, highlight them in case studies.

9. Prepare for greater reporting on Free, Prior and Informed Consent (FPIC)

Free, prior and informed consent (FPIC) is the principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy or otherwise use. The principle is well established in international law and human rights norms, including the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). While the topic is gaining importance, the Panel considered Teck's reporting in this area to be lagging the industry leaders. The Panel recommended following best practice in this area – specifically with regard to the development of FPIC policies in consultation with Indigenous Peoples. The Panel recognized that to fully address FPIC, Teck would need to revisit reporting boundaries which currently exclude exploration activities. The table showing agreements with certain indigenous groups was recognized as a good start, though the Panel was concerned about how Teck decides which segment of a population to engage when there is disunity in a community.

Our response: Teck has been carefully monitoring legal and policy developments in relationship to FPIC. Our reporting on FPIC accurately reflects our current understanding and approach to gaining broad community support for our activities within the traditional territories of indigenous peoples.

In terms of our engagement, Teck is sometimes faced with disunity within an Indigenous community and/or within its representative government(s). We generally work with elected or traditionally representative governments that are recognized by a major portion of an Indigenous community or nation. Where permitted, we provide community-based forums to encourage engagement with all interested community members. We strive to achieve broad community support, and in doing so we aim to make all opportunities, whether they be engagement with Teck, employment and business opportunities, or participation in environmental stewardship, available to interested community members.

10. Provide more detail on opportunities for indigenous peoples in procurement, contracting and hiring

The Panel found that the term “local” was not sufficiently precise in terms of describing opportunities for indigenous peoples. The Panel would like to understand how Teck defines local and to see Teck distinguish between indigenous and other local hiring/contracting/procurement data. With more specific data on economic opportunities, indigenous and other local communities can plan better.

Our response: Guidance is provided to projects and operations to define local as population centers in their direct areas of influence. “Local” will vary from site to site depending on whether the site is operating near a community or miles from any population centre. Teck is developing guidance on local procurement that will include specific provisions regarding our approach to Indigenous Peoples hiring and procurement.

11. Clarify community investment

The Panel distinguishes between spending on consultation and mitigation, which they regard as a cost of operating, and spending that provides real improvements in communities. The Panel would like to see Teck count as community investment only those voluntary activities that go “above and beyond” what is required to mitigate impacts. The Panel noted that in 2009, almost \$14 million of Teck's \$16 million in reported giving was associated with corporate offices and questioned why the majority goes to Vancouver based charities rather than communities and groups associated with its operations.

Our Response: Teck's definition of Community Investment (CI), as defined in our 2009, 2010, and 2011 reports, encompasses voluntary actions or contributions beyond the scope of our normal business operations that are intended to benefit communities where Teck employees live and work. This is above and beyond consultation and mitigation, which we see as costs associated with our social management system.

The distribution of funding noted in Teck's 2009 Report is multifaceted as operations receive benefits of corporate support through organizations such as BC Children's Hospital, the United Way, University of

British Columbia and the Mineral Resources Education Program to name a few. In 2011, Teck developed a new, strategic Community Investment Policy that seeks to allocate a larger share of the total budget to Business Units. We also took steps to improve our community investment measurement and reporting through use of London Benchmarking Group Model. This will allow stakeholders to better understand how, where, and why we contribute and which initiatives we support.

12. Provide greater depth on grievance mechanisms

The Panel noted that Teck's community grievance mechanisms were launched in 2009. The Panel wants to know more about how grievances are defined, thresholds for recognizing grievances, who can bring them forward, and any controls to ensure that all grievances are captured. The Panel recommends that Teck report regularly on the number of grievances reported for each operation and their status, including the number resolved and how they were resolved, so that the grievance process becomes an effective measure of social performance. The Panel also recommended including the number of grievances reported and resolved with its key performance indicators.

Our response: We agree with the Panel's recommendation and took steps to incorporate this suggestion into our 2010 and 2011 reports where we included a detailed discussion of our feedback mechanism process. This process allows us to receive and effectively organize our response to feedback from our COIs related to our operations and/or projects that arise outside of our standard and formal consultation process. In our 2011 report, we included an overview table containing the number of grievances received per site and a list of grievance topics. Also, we annually report on grievance mechanisms used and significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples.

Recommendations for Report Presentation

1. Continue to improve ease of use

Teck has made improvements that make the report easier to read and use. Language is more accessible. There is a good balance of data and commentary. Tables, charts and photo captions have all improved. The most helpful additional improvements would be spelling out acronyms more often (notably "COIs" (Communities of Interest), where the sans serif font produces a confusing result) and using page numbers when referring to information in other sections of the Report.

Our Response: We agree with the Panel's recommendation. In the 2010 Report we changed the acronym "COIs" to "COIs" to reduce confusion. We recognize that not all readers read the report from start to finish and have spelled out acronyms at the start of each section and included key terms in a glossary.

2. Identify Communities of Interest earlier in the report

The Panel would like to see the COI table appear earlier in the full report, instead of in an appendix. COI's are not identified in the summary report. This is important information to frame Teck's materiality discussion and strategy and should appear earlier.

Our response: We provide a list of our COIs at the start of our report, in the "About Our Report" section and we make reference to our COI table in the appendix. In the interest of design and layout, in the 2010 and 2011 Reports we kept the full COI table as an appendix and will continue to do that going forward. However, we agree with the Panel's point that listing the COIs earlier in the report would help frame our strategy and materiality discussion and we will continue to provide a list of our COIs early on in the report.

3. Make better use of on-line reporting

The Panel noted that use of the Teck website to house most of the report content allows Teck to produce a concise summary report for the general readership. The Panel would like to see Teck take advantage of on-line reporting opportunities that would make the report even more user-friendly. While the site navigation is clear, the content is static and very similar to the PDF version. With some added features, the on-line report could provide current updates, enhanced access to data, more links and opportunities for engagement with communities of

interest. Two specific suggestions were to create one place where all reported data can be accessed from the Key Sections of Report menu, and to add *Your Concerns, Our Response* to the Key Sections menu.

Our response: We concur with the Panel's recommendation that using online reporting options would make the Report more user friendly and provide more opportunities to engage our COIs. In 2010, we released both a full Sustainability Report and a Sustainability Review, which was designed for a more general readership, and we created a Report website. Although our 2011 Report is in PDF form, in September 2012, we released a Teck sustainability website. The site is built around our sustainability strategy and our focus areas, providing an interactive illustration of the mining life cycle and a timeline outlining Teck's journey towards sustainability. The site also houses sustainability performance data and case studies and is layered so as to allow readers to access highlights or dig as deep on issues.

4. Show clearly where Teck goes beyond requirements

The Panel expressed the view that sustainability leadership involves more than compliance with laws and regulations, because regulation often lags public concern or business opportunity. In some places the Report creates the impression that compliance is the goal and this seems at odds with the visionary language in the CEO's letter. The Panel recommends that Teck distinguish between performance that is required by law and that which demonstrates leadership. This could be done in the text or graphically, for example by adding a line for permitted levels to charts of emissions or effluents so that report readers can see where Teck is clearly ahead and where the margin for error is slim. This would add a useful risk management perspective.

Our response: We agree with the Panel's observation that sustainability leadership involves more than compliance with laws and regulations. In 2011, we released our sustainability strategy and corresponding 2015 and 2030 goals. These goals commit us to exceeding current legal requirements and set us up to play a leadership role. We are committed to annually reporting progress on these goals. For 2012, we will consider developing a mechanism to compare our performance to legal requirements.

5. Improve timeliness of reporting

The 2009 Report was published in December 2010 – almost a year after year end. Most companies aim for release within six months of year end and Teck may miss opportunities to influence investors and other key audiences if material is not current. The Panel recommends that Teck investigate ways to streamline reporting so that reports can be published on a timelier basis.

Our response: We concur with both the Panel's recommendation and reasoning and have taken steps to address these issues. We are incrementally making improvements in our report release date by shifting our data deadline and reporting processes up. We released our 2010 Sustainability Report in October 2011 and we released our 2011 Sustainability Report in August 2012. In addition, our 2011 Annual Report, released in March 2012, included qualitative sustainability information. Continuing to implement an accelerated timeline will ensure that published information is more current, addresses COI needs in a timelier manner, and recognizes a reporting trend moving towards integrated reporting.