

2019 Economic Contribution Report



Teck

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About This Report

We believe it is important to provide information about our activities so that communities of interest have a clear understanding of the economic benefits generated by our mining activities and our payments to governments.

Teck has a long history of providing detail and disclosure on our overall tax and economic contribution. Through our Annual and Sustainability reports, Teck discloses taxes accrued and paid in accordance with applicable accounting standards and has supplemented this with additional voluntary disclosure.

Our annual Economic Contribution Report provides even greater detail, as an independent report of our payments to governments and other economic contributions, including wages and supplier spending. In this report, we provide an analysis of our tax payments in 2019 by type, country and level of government. We also include additional detail on the value Teck generates for the communities in which we operate—including Indigenous communities—through wages, payments to suppliers and contractors, and other economic activities.

This report, which was released in August 2020 on [our website](#), complements our annual reporting under the *Extractive Sector Transparency Measures Act* (ESTMA).

This report covers all of the operations managed by Teck and, where appropriate, exploration projects, development projects, joint venture operations and legacy properties. Data included in this report is from January 1 to December 31, 2019, across our steelmaking coal, copper, zinc and energy operations and projects in Canada, the United States, Chile and Peru.

All dollar values are in Canadian currency unless otherwise stated. A description of key terms, an explanation of the scope of reporting and the definitions applied for each type of tax payment are provided on page 17.

Total payments to governments in accordance with ESTMA of \$755.0 million included in the report have been audited by PricewaterhouseCoopers LLP. For their independent auditor's report in relation to the ESTMA information, see page 25.

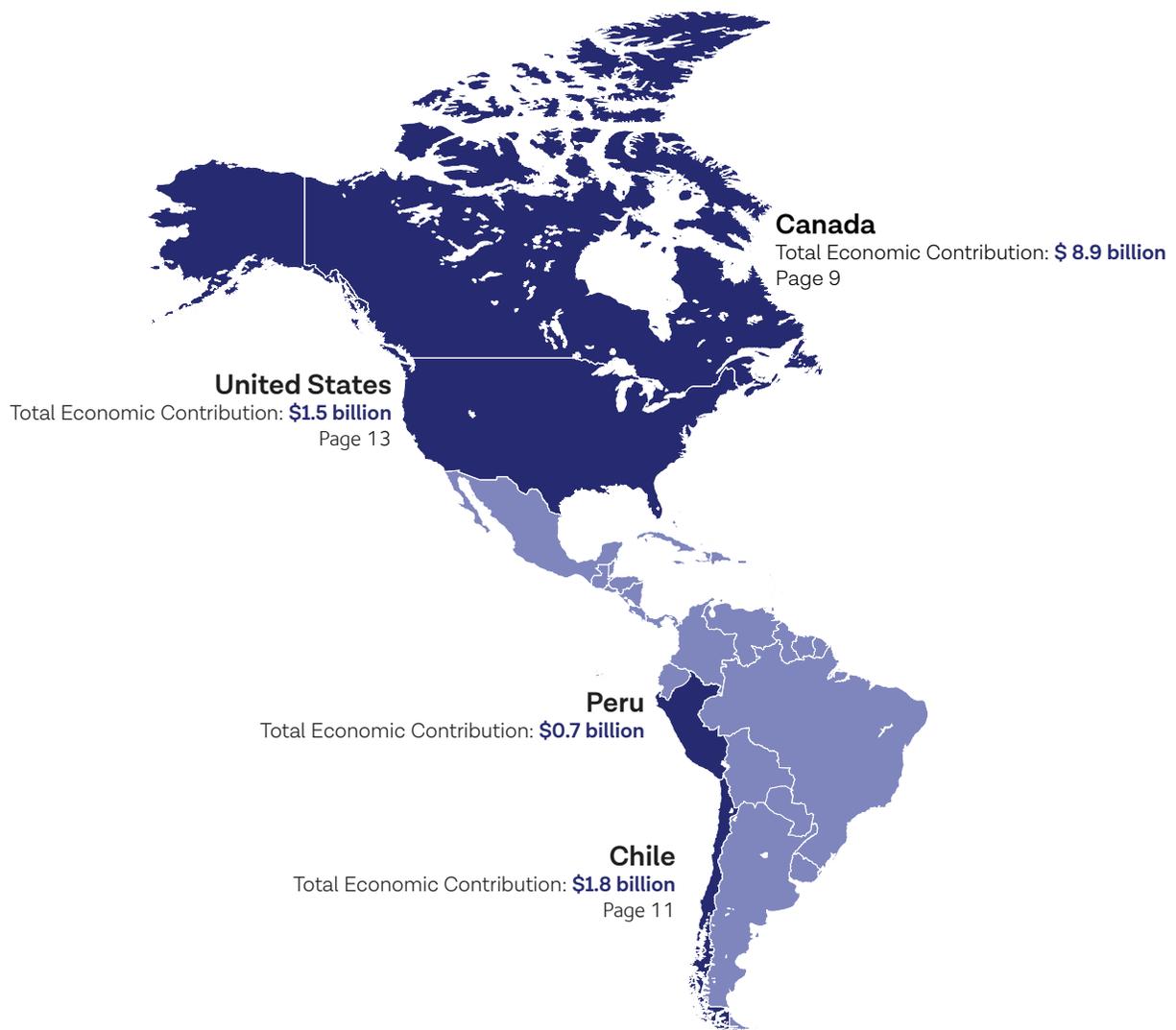
Total Payments to Governments and Economic Contribution at a Glance

Teck's total payments to governments and economic contribution are significant in the areas where we operate, particularly Canada. Our economic contribution includes taxes paid, employee wages and benefits, spending with local suppliers, and community investment. The total economic contribution was \$12.4 billion in 2019.

Some highlights of our total economic contribution include:

- \$19.3 million: community investment
- \$1.7 billion: payments to employees in wages and benefits
- \$9.0 billion: supplier spend

Our economic contribution occurs throughout the mining life cycle; however, the payments vary across the cycle.¹



¹ This map totals \$12.9 billion as it does not include \$519 million in inter-segment elimination. After that inter-segment elimination, our total economic contribution in 2019 was \$12.4 billion.

Table 1. Type and Number of Managed Operations and Total Employees by Country⁽¹⁾

Canada	
Copper	1 Operation: Highland Valley Copper
Steelmaking Coal	4 Operations: ⁽²⁾ Fording River, Greenhills, Line Creek, Elkview
Zinc	1 Operation: Trail Operations
Total Employees	8,415
Chile	
Copper	2 Operations: Quebrada Blanca, Carmen de Andacollo
Total Employees	1,435
Peru	
Copper	1 Operation: Antamina
Total Employees	30⁽³⁾
United States	
Zinc	1 Operation: ⁽⁴⁾ Red Dog
Total Employees	655

(1) Approximate number of employees at the end of 2019, including temporary and permanent, working at Teck-operated mining and metallurgical operations and offices, as reported in the 2019 Sustainability Report. As such, total employees in Peru does not include the Antamina mine.

(2) As of June 2020, Cardinal River Operations has gone into care and maintenance.

(3) Approximate number of employees at the end of 2019, including temporary and permanent, working at Teck-operated mining and metallurgical operations and offices, as reported in the 2019 Sustainability Report. As such, total employees in Peru does not include the Antamina mine, which is a non-operated joint venture in which Teck holds a 22.5% interest. Please see the [Antamina website](#) for their latest sustainability report. Spanish content only.

(4) As of July 2019, Pend Oreille has gone into care and maintenance.



Employee at Highland Valley Copper Operations, Canada

Approach to Transparency and Tax

Mining is a capital-intensive business. Significant initial capital investment is required to construct a mine. It often then takes many years to generate a return on investment. We believe in and are supportive of paying legislated taxes on profits in the country where value is created over the course of the mining life cycle. We advocate for tax systems that consider the long-term contribution from the mining industry, that are effective and competitive, and that support economic growth, job creation and sustainable tax contributions. Our approach to taxation is aligned with our [Code of Ethics](#) and our [Approach to Business and Sustainability](#). That approach is outlined in our [Tax Policy](#).

We voluntarily provide information on our tax payments in our principal operating countries on a country-by-country basis in our [Sustainability Report](#) and have done so since 2006. Our other (or “non-tax”) payments to governments are also reported to the Canadian government by country and on a project-by-project basis as required under the [Extractive Sector Transparency Measures Act](#). Teck is a member of the Extractive Industries Transparency Initiative (EITI), which is a voluntary global initiative that promotes transparency in payments to governments and revenues for extractive industries. Our aim is to clearly disclose our payments to governments and to highlight our role in providing social and economic benefits in the areas where we operate.

Our Tax Policy

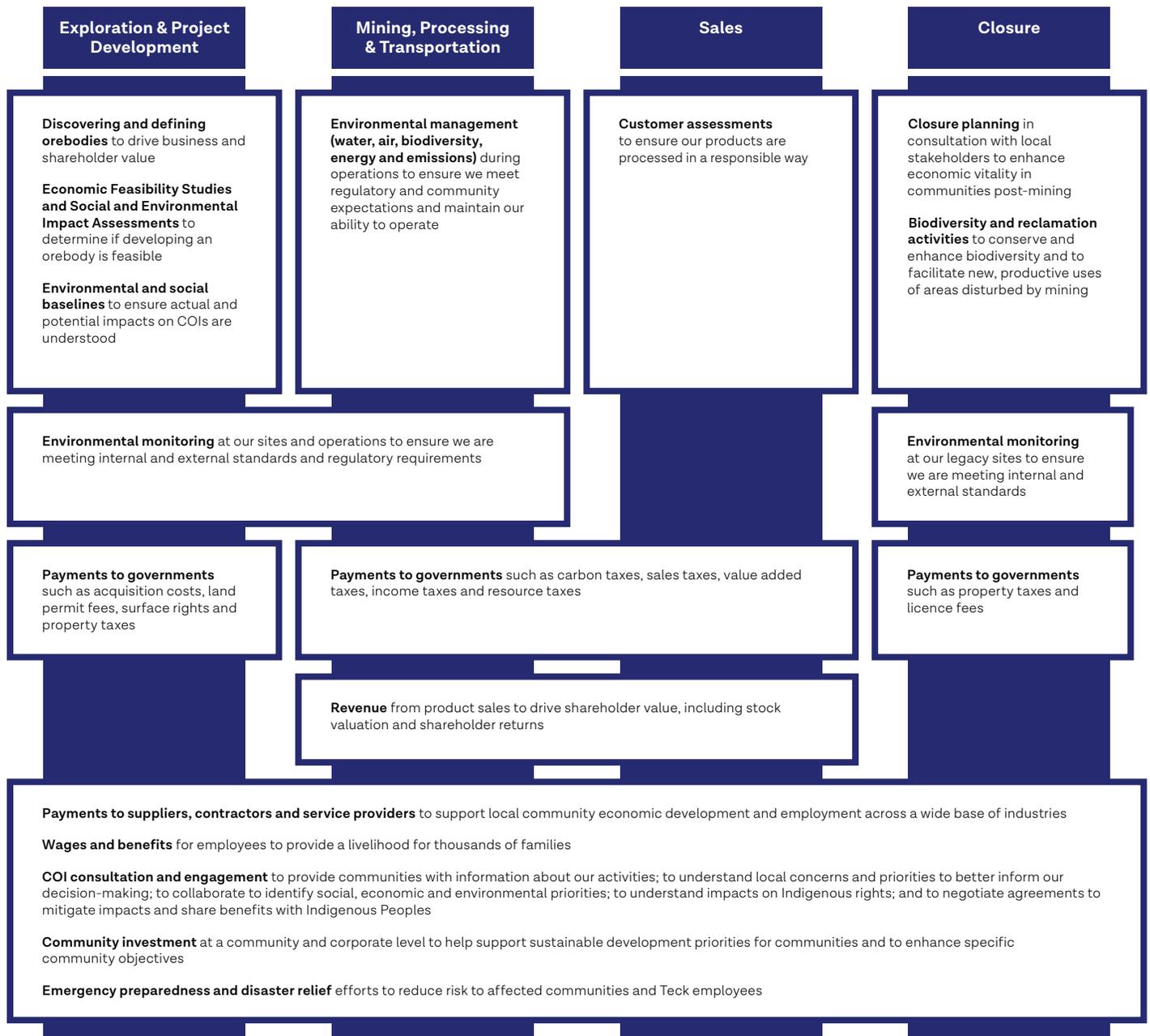
- 1.** In all tax matters Teck is compliant, transparent, cooperative and ethical. Teck files all required tax returns and tax information slips on an accurate and timely basis. Teck pays its taxes on time and in full.
- 2.** Teck responds openly and fully on a timely basis to all government requests for information pertaining to our legal structure, our financial results and our taxes in the course of their audits. Teck does not engage in tax planning that relies on the non-disclosure of activity or ownership in tax havens or secrecy jurisdictions.
- 3.** Teck seeks to build open and trusting relationships with the tax authorities in all jurisdictions in which it operates, building on the common interest it has with the authorities in efficiently reaching a timely and accurate determination of its financial responsibilities for taxes. Where a dispute does arise, Teck will work with the authorities to reach an agreed statement of the relevant facts so that the issue can be resolved efficiently.
- 4.** Teck undertakes tax planning in accordance with applicable laws and tax policy in relation to matters that arise in the ordinary course of Teck’s business. The goal is to support the growth and development of Teck’s business in a way that reflects its legal obligations and its commitments to its people, its shareholders, and to the communities in which it operates. Teck’s Code of Ethics is always considered and respected.
- 5.** Material transfers of goods and services between companies in the Teck group are effected at arm’s length prices and on arm’s length terms in accordance with the substance of the commercial transaction and in compliance with international transfer pricing standards such as Organisation for Economic Co-operation and Development (OECD) guidelines.
- 6.** Teck has a limited presence in offshore financial centres. This currently includes a financing affiliate that finances active mining operations outside of Canada and an insurance affiliate that insures our worldwide mining operations. In accordance with our Tax Policy, our activities in any such jurisdictions are fully disclosed to all relevant tax authorities in accordance with applicable law, and are conducted on arm’s length terms in accordance with applicable transfer pricing rules, are related to the ordinary course of our business. These activities are also fully compliant with the tax laws and policy applicable in the relevant financial center and in the operating jurisdiction which has received financing or insurance.
- 7.** The tax consequences of material transactions are the subject of written analysis supported, where appropriate, by written external opinions and/or local government authority advance tax rulings.
- 8.** Where there is a clear, unambiguous and material error in a filed tax return, Teck will disclose the error to the relevant tax authority if the error is discovered before the completion of the relevant tax audit cycle.
- 9.** The Vice President, Tax reports regularly to the Senior Vice President, Finance and Chief Financial Officer and to the Audit Committee of Teck’s Board of Directors. Taxes are a material cost of Teck’s business and the payment of our taxes is an important part of Teck’s obligations to the communities in which it operates. Tax planning is monitored to ensure that it does not create inappropriate financial risk and is consistent with our commitment to the communities in which we operate.

Overall Economic Contribution

Payments and Contributions throughout the Value Chain and Mining Life Cycle

Teck works to generate value from the extraction, processing and sale of mineral, steelmaking coal and metal resources, as well as bitumen (Figure 1). This requires our operations to be economically viable across a range of commodity prices. We achieve this by focusing on maximizing the cost-efficiency of our operations and ensuring we receive full value for our products. This in turn helps to ensure the longer-term sustainability of our operations and their economic contribution to communities, including employment, procurement, capital investment, payments to governments and Indigenous Peoples, community investment and returns to shareholders. We focus on facilitating long-term economic opportunities through local hiring and procurement, coupled with strategic community investments, to encourage lasting mutual benefits for our communities of interest (COIs).

Figure 1: Creating Value throughout the Mining Life Cycle



Economic Contribution by Country

In 2019, we generated approximately \$11.9 billion in revenue and distributed \$12.4 billion in economic value as defined by the Global Reporting Initiative. Our [2019 Annual Report](#) includes more detailed information on our 2019 financial performance.

The table below summarizes economic value that Teck generated and distributed in 2019, segregated by the countries in which we operate.

Table 2: 2019 Economic Contribution by Country (CAD\$ millions)

	Economic Value Generated	Economic Value Distributed							Economic Value Retained	
	Revenues ⁽¹⁾	Payments to Suppliers ⁽²⁾		Employee Wages and Benefits ⁽³⁾		Payments to Providers of Capital ⁽⁴⁾	Income and Resource Taxes ⁽⁵⁾	Community Investments ⁽⁶⁾		Total
		Operating Costs	Capital Expenditures	Operating Costs	Capital Expenditures					
USA	1,952	1,063	191	169	5	-	58	1	1,487	465
Canada	9,060	5,072	1,119	1,270	14	1,149	316	7	8,947	113
Chile	564	344	1,264	92	34	-	65	5	1,804	(1,240)
Peru	877	281	129	113	-	-	156	2	681	196
Other	-	8	32	5	-	-	-	4	49	(49)
Inter-segment elimination ⁽¹⁾	(519)	(519)	-	-	-	-	-	-	(519)	-
Total	11,934	6,249	2,735	1,649	53	1,149	595	19	12,449	(515)

(1) Revenues are presented based on an accrual basis. Internal cross-border sales are eliminated as shown.

(2) Operating costs include operating expenses at our mining and processing operations and our general and administration, exploration and research and development expenses and costs relating to production stripping. Operating costs exclude depreciation and amortization, employee wages and benefits, and changes in inventory, which are specified separately. Capital expenditures are payments for purchases of property, plant and equipment, excluding the component relating to capitalized wages and benefits, which is specified separately. Capitalized production stripping costs are included in operating costs and not in capital expenditures.

(3) Wages and benefits reflect total amounts paid to employees relating to wages and benefits, including payroll taxes.

(4) Payments to providers of capital include dividends paid to shareholders, interest paid to debtholders, and payments for share repurchases less issuance of shares.

(5) Income and resource taxes include amounts paid in the year, and include local or municipal taxes paid.

(6) Community investments include voluntary donations paid during the year.

Canada

Canada is a global leader in responsible mining, and the Canadian mining industry is an important contributor to the national economy through employment and generation of local economic activity. Mining offers high-quality, well-compensated jobs with an annual average compensation of \$119,000 per job, about twice the all-industry average of \$60,000.²

Teck is headquartered in Vancouver, British Columbia, and owns or has an interest in seven producing operations in Western Canada. This includes four steelmaking coal operations³ in British Columbia with significant high-quality reserves. Steelmaking coal is an essential ingredient in the primary production of steel. Also called metallurgical or coking coal, it is required for everything from clean energy infrastructure like wind or solar power to low-carbon transportation alternatives like rapid transit, buses and hybrid vehicles. Trail Operations, located in southern British Columbia, is one of the world's largest fully integrated zinc and lead smelting and refining complexes. Highland Valley Copper Operations is Teck's copper and molybdenum mine located in south-central British Columbia. In addition, Teck has a 21.3% interest in the Fort Hills oil sands operation in northwest Alberta.

Total tax and economic contribution to the Canadian economy in 2019:

\$8.9 billion

Number of employees:

8,415

² Natural Resources Canada. [Minerals and the economy](#). 2019.

³ As of June 2020, Cardinal River Operations has gone into care and maintenance.

Participants at the Forum for Women Entrepreneurs' E-Series, Canada.
Photo from FWE (Lisa Niemetscheck)



Case Study

Empowering Female Business Owners through Education and Mentorship

Female entrepreneurs across the world are changing the way we exercise, learn and live, and they make a significant contribution to the economy. In Canada, there are 1.4 million female entrepreneurs with businesses that generate \$117 billion in economic activity a year.^{4,5} Female entrepreneurs with adequate funding for their companies have been shown to turn a profit in two years. Women also disproportionately hire other women, potentially further reducing inequalities, yet only 16% of Canadian businesses are owned or led by women.⁶ As a Canadian company, Teck saw an opportunity to support female entrepreneurs and, in turn, strengthen the economy.

Since 2013, Teck has been providing support to the Forum for Women Entrepreneurs (FWE), a Canadian charity supporting female entrepreneurs through mentorship and education. Founded in 2002, FWE has helped over 5,500 female business owners in Canada overcome obstacles and operate successful businesses.

Their foundational program, E-Series, typically brings together female entrepreneurs for a three-day transformative educational program followed by 12 months of one-to-one mentorship. Participants dive deep into various topics that address key challenges that female entrepreneurs are faced with while running a business. The program also provides a wealth of resources and ongoing support from the team, their community of business leaders, successful entrepreneurs and other interested stakeholders.

FWE has a major impact on its participants. Graduates of the E-Series are three times more likely to be operating their businesses five years after launching than the average entrepreneur in Canada. On average, these graduates also create 10 jobs within three years of graduating and experience an annualized revenue growth rate of 40%, a testament to their hard work and the power of education and mentorship.

In 2015, Teck increased its support by setting up funding grants for FWE that cover travel, accommodation and most of the tuition costs, allowing women in Teck-operating areas to participate in the program. To date, 43 Teck grant recipients, who otherwise would not have been able to travel for educational purposes, have been able to take part and work strategically on their businesses and on themselves as leaders.

The class of 2019 included 61 female entrepreneurs from a variety of industries, business stages and backgrounds, all sharing a strong growth mindset.

Chelan Barnes of Elkford, B.C., which is near Teck's steelmaking coal operations, was a Teck grant recipient in 2019, and said this about her experience in the E-Series program: "I met some inspirational people and made some key connections. I have come back to Elkford with a calm, clear and excited vision of what and where I want my business to go."

Learn more about our approach to [Relationships with Communities](#) on our website.

4 Royal Bank of Canada. [How Women Are Changing the Face of Business](#). 2020.

5 Inc. [Female Entrepreneurs Much More Likely To Employ Women](#). 2018.

6 Government of Canada. [Women Entrepreneurship Strategy](#). 2020.

Chile

Mining is at the centre of the Chilean economy, with large-scale mining representing 10% of the country's GDP.⁷ The industry contributes to an estimated 9% of total employment, of which 3% contributes to direct employment.⁷ With close to a 30% share of the world's production, Chile is the largest producer of copper in the world.⁷

Teck's Carmen de Andacollo and Quebrada Blanca operations produce copper—a commodity with increasing importance in meeting the world's growing demand for infrastructure, and one that also is a vital component in the world's transition to a low-carbon economy, including for power generation and transmission, construction, clean technology, and electronics. Quebrada Blanca Phase 2 is Teck's major copper growth project under construction now. Once complete, it will significantly increase Teck's annual copper production, with an initial mine life of 28 years and significant potential for further growth. NuevaUnión, located in central Chile, is a 50/50 joint venture between Teck and Newmont Corporation. The project is one of the largest undeveloped copper-gold-molybdenum projects in the Americas.

Total tax and economic contribution to the Chilean economy in 2019:

\$1.8 billion

Number of employees:

1,435

⁷ Consejo Minero. [Updated Mining Figures](#). 2020.



Indigenous Peoples from the Originarias program, North of Chile

Case Study

Supporting Centro Originarias, the First Indigenous Women's Empowerment Centre in South America

Chile has close to 1.6 million Indigenous Peoples, constituting 9% of its total population.⁸ While women in Chile have made gains in education and employment over the years, Indigenous women in Chile still experience socio-economic disparities, with higher poverty rates, lower educational levels, lower work participation rates and greater levels of gender-based violence.⁹ To address some of these challenges, Teck partnered with UN Women to establish a new training centre—Centro Originarias—to empower Indigenous women in northern Chile.

A first of its kind in South America, the Centro Originarias provides Indigenous women with tools and training to develop skills, build networks and improve their well-being through economic opportunity. To date, more than 180 women from communities throughout the region have received training, and 25 Indigenous women have been trained as economic development facilitators.

Since 2016, UN Women, with the support of Teck, has been implementing the Originarias program, which contributes to greater economic and social participation of Indigenous women in the Tarapacá Region of northern Chile. Through this program, 70 Indigenous women from the regions of Tarapacá, Antofagasta, Atacama and Coquimbo were engaged to identify their economic empowerment needs.

Based on their input, plans were made to build a centre of excellence for Indigenous women to provide training courses and business development opportunities such as promotion, financing and marketing in coordination with public and private institutions. Since the program was initiated, 90% of participants reported that their skills have improved.

“I had the opportunity to develop my sales techniques and business model, which helps to add value to my products,” said Flora Reyes Mendez, who uses ancestral techniques to produce aromatic and medicinal plants in the oasis of Pica.

Centro Originarias anticipates that, in 2020, 400 Indigenous women will be trained in leadership and business, 400 will participate in workshops organized by trainers at the local level, and 600 will use spaces for training and collaborative work.

“This is a historic commitment to Indigenous women who face high levels of discrimination, exclusion and violence. Despite the challenges they face, Indigenous women are a prominent example of agents of change in the global struggle for gender equality and the collective rights of their peoples,” said María Noel Vaeza, UN Women Regional Director for the Americas and the Caribbean.

Learn more about our [Relationships with Indigenous Peoples](#) on our website.

⁸ International Work Group for Indigenous Affairs (IWGIA). [The Indigenous World](#). 2019.

⁹ [Originarias](#).

United States

The United States is one of the largest global producers and consumers of metals and minerals. The metals and minerals sector supports over 1.5 million direct and indirect jobs and provides wages that are, on average, 68% higher than the combined average for all industrial jobs.¹⁰

Teck has one zinc operation¹¹ in the United States: Red Dog Operations, which is one of the world's largest zinc mines, located about 170 kilometres north of the Arctic Circle in northwest Alaska. The primary uses of zinc are for galvanizing steel to protect against corrosion, for producing brass and bronze, and in die-casting to produce a wide range of metal products. Zinc can also increase crop yields and crop quality, and it is an essential nutrient in human development and disease prevention.

Total tax and economic contribution to the American economy in 2019:

\$1.5 billion

Number of employees:

655

¹⁰National Mining Association. [Minerals: America's Strength](#). 2017.

¹¹As of July 2019, Pend Oreille has gone into care and maintenance.



Case Study

Sustainable Mining through Collaborative Governance

The success of Teck's Red Dog Operations, one of the northernmost mines in North America, is the result of a unique and innovative operating agreement between a mining company and Indigenous Peoples.

Signed in 1982, this agreement between Teck and the landowner NANA, a Regional Alaska Native Corporation owned by the Iñupiat people of northwest Alaska, has governed the activities at Red Dog. The agreement ensures that operations are environmentally sustainable, that they bring economic and social benefits to the region, and that they support the Iñupiat way of life, including protecting and maintaining access to subsistence activities such as caribou hunting.

A critical component of the operating agreement was the establishment of the Red Dog Management Committee, a joint committee consisting of six representatives from Teck and six from NANA. This committee holds four regular meetings each year and is tasked with the oversight of exploration, mineral development and production activities associated with Red Dog. It is also responsible for jointly safeguarding the physical, cultural, economic, social and subsistence needs of the residents in the NANA region, a 98,400-square-kilometre area with a population of approximately 7,700 people.

The committee's collaborative decision-making approach is central to the strategic direction, operation and development of the mine itself, as well as the promotion of specific initiatives. For example, the committee is integral in advancing priorities such as local subsistence activities; developing strategic relationships with regional, state and federal governments and service agencies; supporting shareholder employment; and creating training and business development opportunities for NANA shareholders.

The operating agreement has led to significant benefits. In 2019, 57% of Red Dog's workforce were NANA shareholders, and \$155.0 million was spent on Indigenous suppliers.

"The Management Committee's ongoing oversight of mining operations ensures that the commitment to partnership between Teck and NANA is sustained and will continue to grow for the benefit of all residents throughout the region," said Les Yesnik, General Manager, Red Dog Operations.

Learn more about our approach to [Relationships with Indigenous Peoples](#) on our website.

Economic Contribution by Operation

Our operations in Canada, Chile, the United States and Peru generate significant economic contribution for their respective countries and local communities. Below is a summary of the major contributions—payments to suppliers, wages and benefits, income and resource taxes, and community investment—at each of our operations.

Table 3: 2019 Economic Contribution by Operation (CAD\$ millions) ^{(1),(2),(3),(4),(5),(6),(7),(8),(11)}

Operation	Payments to Suppliers	Employee Wages and Benefits	Income and Resource Taxes	Community Investment	Total
Antamina	365	110	156	22 ⁽¹⁰⁾	653
Carmen de Andacollo	270	58	55	3	386
Highland Valley Copper	578	210	21	0.5	810
Quebrada Blanca	1,332	63	-	1	1,396
Pend Oreille	28	32	-	0.1	60
Red Dog	886	130	58	0.7	1,075
Steelmaking coal operations ⁽⁹⁾	3,214	666	295	1	4,176
Trail Operations	1,665	198	-	1	1,864

Local Hiring and Procurement

Taxes and royalties are only one part of mining’s overall contribution to countries and communities. Wages paid to employees, as well as capital investment and operating expenditures, also contribute considerably to the local economy.

In 2019, we employed 10,613 people worldwide, in a wide range of activities related to mining and mineral processing, including exploration, development, smelting, refining, health and safety, environmental protection, social performance, product stewardship, recycling and research.

Local hiring and local procurement are a priority at Teck operations. Whenever possible, sites look for opportunities to utilize local suppliers, providing that they meet our standards and requirements. At a number

of our sites, local suppliers also include those who self-identify as Indigenous Peoples. Commitments regarding procurement and hiring practices may also be included in agreements between Teck and Indigenous communities. In 2019, 72% of our employees are “local”, in that they are from areas near our operations or offices.

By sourcing local goods and services and hiring local people, we help build community support for our activities, enhance our local knowledge, increase capacity, and mitigate business and social risks.

For more information on our local hiring and procurement practices, please see the Managing Benefits section of [Our Approach to Relationships with Communities](#).

(1) Revenues are presented based on an accrual basis. Internal cross-border sales are eliminated as shown.

(2) Payments to suppliers and contractors for materials and services include operating costs and capital expenditures. Operating costs include operating expenses at our mining and processing operations and our general and administration, exploration and research and development expenses and costs relating to production stripping. Operating costs exclude depreciation, and employee wages and benefits, which are specified separately.

(3) Wages and benefits reflect total amounts paid to employees relating to wages and benefits, including payroll taxes.

(4) Payments to providers of capital include dividends paid to shareholders, interest paid to debtholders, and payments for share repurchases less issuance of shares.

(5) Income and resource taxes and employer payroll taxes include amounts paid in the year. Income and resource taxes also include local or municipal taxes paid.

(6) Community investments include voluntary donations paid during the year.

(7) See full table on Payments Made by Country and Level of Government for breakdown of municipal taxes paid.

(8) Does not include payments made to capital providers. See Table 2: 2019 Economic Contribution by Country for this information.

(9) Steelmaking coal operations include Cardinal River, Coal Mountain, Elkview, Greenhills, Fording River and Line Creek operations.

(10) Data from Antamina includes donations, social responsibility expenses and other expenses related to Asociación Ancash, community relations and sustainable development.

(11) Does not include economic contributions from Fort Hills or corporate offices.

Sharing Economic Benefits with Indigenous Communities

We report on payments to governments, including Indigenous governments, in our principal operating countries (Canada, USA, Chile and Peru), including taxes and other payment types, by country and on a project-by-project basis as part of this Economic Contribution Report and as required under the Canadian [Extractive Sector Transparency Measures Act \(ESTMA\)](#).

At Teck, developing strong and lasting relationships with Indigenous Peoples is a fundamental part of how we operate as a responsible resource company. This includes working with Indigenous communities to establish agreements that will allow them to help shape, and benefit from, resource development in their territories. Where we have agreements in place, the payments made to Indigenous groups under those agreements may vary. The agreements are developed based on a formalized process for negotiation, where the details of specific agreements are typically confidential. For more information, please see [Our Approach to Relationships with Indigenous Peoples](#).

Community Investment

Community investment is a key pillar of our company's overall commitment to the communities where we live and work. We contribute to community organizations to help build strong relationships and create lasting mutual benefits. Through community investment, we support local development priorities.

Our community investment program is guided by best practices from the International Finance Corporation, the London Benchmarking Group and Imagine Canada. We aim to contribute at least 1% of our earnings before interest and taxes on a five-year rolling average basis to community investment. With our target tied to earnings, our success as a company directly impacts our ability to invest in the communities where we operate. For more information, please visit [Community Investment](#) on our website. Our community investment expenditures in 2019 were \$19.0 million. For a detailed breakdown of community investments made from 2016 to 2019 by site, please see Table 16: Community Investment by Site on page 46 of our 2019 Sustainability Report.

Launched in September 2015, the United Nations Sustainable Development Goals (SDGs) consist of 17 ambitious goals that aim to tackle the world's most pressing challenges and shift the world onto a sustainable path. Through our community investment activities and initiatives, Teck is positively contributing to all 17 SDGs, with a special focus on the following:

- Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 5: Achieve gender equality and empower all women and girls
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 13: Take urgent action to combat climate change and its impacts

Figure 2: Community Investment: What We Support (CAD\$ millions)

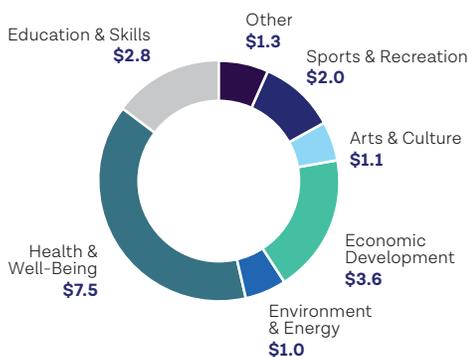


Figure 3: Community Investment: Where We Contribute (CAD\$ millions)

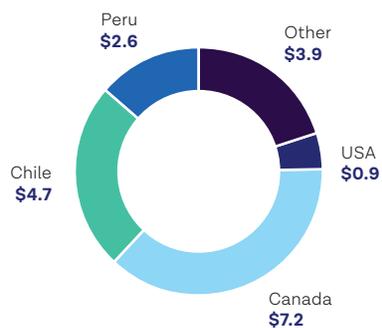


Figure 4: Community Investment: Why We Contribute (CAD\$ millions)



Basis of Report

We have prepared the 2019 Total Payments to Governments (Report) on pages 17–20 to provide a comprehensive view of the overall tax and economic contribution made by Teck.

Taxes, royalties and other payments to governments are presented in this Report on a cash basis for the year ended December 31, 2019. Taxes reported in this Report are different from the income tax expense amounts on our financial statements, which only include corporate income taxes and resource taxes, and are prepared on an accrual basis in accordance with International Financial Reporting Standards. The income tax provision in our financial statements represents an estimate of the income taxes payable for the applicable reporting period including any resolutions of prior period provisions. See page 23 for the reconciliation of income tax expenses to income tax paid, as reported in our financial statements for the year ended December 31, 2019.

This Report includes all such payments paid by Teck Resources Limited and all of its subsidiaries. The data has been prepared on a 100% basis for all operations where we have a controlling interest, and on a basis proportionate to our ownership interest in jointly controlled entities. Our significant controlled operating subsidiaries include Teck Metals Limited, Teck Alaska Incorporated, Teck Highland Valley Copper Partnership, Teck Coal Partnership, Teck Washington Incorporated, Compañía Minera Teck Quebrada Blanca S.A. and Compañía Minera Teck Carmen de Andacollo. In certain cases, our economic interest in these entities is less than 100%.

All payments to governments in this Report have been presented in Canadian dollars. Payments denominated in currencies other than Canadian dollars are translated for this Report at the closing exchange rate on December 31, 2019, as permitted by the *Extractive Sector Transparency Measures Act* (ESTMA).

Payments to Governments: ESTMA

This Report is prepared taking into account the intent of ESTMA, the Global Reporting Initiative's Economic Standards and the International Council on Mining and Metals' Transparency of Mineral Revenues Position Statement, and is presented in accordance with Natural Resources Canada (NRCan) Technical Reporting Specifications.

Our ESTMA Report for the year ended December 31, 2019, is available on [our website](#).

For the year ended December 31, 2019, Teck has reported \$755.0 million in payments to governments under ESTMA. The following is a summary of judgments and definitions that we have made for the purpose of preparing the ESTMA Report.

Cash and In-Kind Payments

Payments are reported on a cash basis and have been reported in the period in which the payment was made. In-kind payments are converted to an equivalent cash value based on cost or, if cost is not determinable, the in-kind payment is reported at the fair market value. The valuation method for in-kind payments, if any, has been disclosed in the notes section of the ESTMA Report. For the year ended December 31, 2019, there were no reportable in-kind payments to a payee.

Payments to the "same payee" that meet or exceed \$100,000 CAD in one category of payment are disclosed. Payments are rounded to the nearest \$10,000.

Payee

For the purposes of ESTMA, a payee is:

- a) Any government in Canada or in a foreign state;
- b) A body that is established by two or more governments; or
- c) Any trust, board, commission, corporation or body or other authority that is established to exercise or perform, or that exercises or performs, a power, duty or function of a government for a government referred to in paragraph (a) above or a body referred to in paragraph (b) above.

Payees include governments at any level, including national, regional, state, provincial, local or municipal levels. Payees may include non-governmental entities if the benefit bestowed would have otherwise been provided by the government. Payees also include any government-owned or government-controlled entities that exercise or perform a power, duty or function of government.

Aboriginal and Indigenous groups/organizations may also be regarded as a payee under the Act. Payments to Canadian and non-Canadian Indigenous governments are reported.

Reportable Payments

A reportable payment for ESTMA purposes is one that:

- a) Is made in relation to the commercial development of oil, gas or minerals; and
- b) Totals, as a single payment or multiple payments, \$100,000 CAD or more in the year in one of the following prescribed seven payment categories.

Taxes

Taxes include corporate income taxes, resource taxes, property taxes, withholding taxes on cross-border dividends, and other levied taxes, excluding consumption and personal income taxes. Corporate income and resource taxes are payments to governments based on income, profits or production under legislated income tax rules in relation to the commercial development of oil, gas or minerals. In the Consolidated Statement of Income, prepared in accordance with International Financial Reporting Standards and included in our Annual Report, corporate income taxes and resource taxes are both presented as income tax. We report taxes net of credits or refunds where those amounts are adjusted for in determining the amount of taxes to be paid in cash. Refunds received separately in cash are excluded from reported payments.

Royalties

Royalties are paid to governments in relation to the rights to extract oil, gas and mining resources. In the Consolidated Statement of Income, prepared in accordance with International Financial Reporting Standards and included in our Annual Report, royalties are not presented as an income tax.

Fees

Fees are amounts levied on the initial or ongoing right to use a geographical area for commercial development of oil, gas and minerals. Fees include licence fees, permit fees, entry fees, regulatory charges and other payments for licences and/or concessions. Amounts paid for goods and services in the ordinary course of commercial transactions are excluded.

Production Entitlements

Production entitlements are a payee's share of oil, gas or mineral production under a production sharing agreement or similar contractual or legislated arrangement. For the year ended December 31, 2019, there were no reportable production entitlement payments to a payee.

Bonuses

Bonuses are payments to governments for signing, discovery, production and any other type of bonus paid in relation to commercial development of oil, gas or minerals. For the year ended December 31, 2019, there were no reportable bonus payments to a payee.

Dividends

Dividends are payments to governments with an ownership interest in Teck's subsidiaries, excluding payments to governments that are ordinary shareholders of Teck or its subsidiaries.

Infrastructure Improvement Payments

Infrastructure improvements are payments for the construction of infrastructure, such as public roads, libraries and hospital facilities, excluding payments made in circumstances where the infrastructure is expected to be primarily used for operational purposes.

Payments by Project Level

Payments have been reported at the project level as required by ESTMA. A "project" means the operational activities are governed by a single contract, licence, lease, concession or similar legal agreement that forms the basis for a payment liability with a payee. If multiple such agreements are substantially interconnected, they would be considered a single project. "Substantially interconnected" means forming a set of operationally and geographically integrated contracts, licences, leases or concessions or related agreements with substantially similar terms that are signed with a government and give rise to payment liabilities.

We have determined that the operational activities governed by surface or mineral lease contracts related to key operational areas are substantially interconnected and have reported payments related to each such area as a single project. We have considered geographical location and common infrastructure as two key indicators for making this determination.

Payments presented on a by-project basis represent payments made by an entity when specifically attributable to a project. Payments that are not specifically attributable to projects are presented as Corporate or Head Office. There are instances where two or more projects report and make payments under one tax entity, and the tax payment may not be attributable to a specific project. As permitted under the NRCan Technical Reporting Specifications, when a payment is not attributable to a specific project, it may be reported without disaggregation by project and by reporting only at the payee disclosure level.

Commercial Development

ESTMA defines commercial development of oil, gas or minerals as:

- a) The exploration or extraction of oil, gas or minerals;
- b) The acquisition or holding of a permit, licence, lease or any other authorization to carry out any of the activities referred to in paragraph (a); or
- c) Any other prescribed activities in relation to oil, gas or minerals.

Payments made to payees relating to the commercial development of oil, gas or minerals are disclosed in this Report. The ESTMA Report excludes payments that



are not related to commercial development activities. Commercial development does not include ancillary and preparatory activities, such as construction of an extraction site. Commercial development also excludes post-extraction activities, such as marketing, distribution, transportation, refining, smelting or processing of minerals once they have left the mine gate.

Significant Judgments

The preparation of the ESTMA Report in accordance with the ESTMA legislation requires the use of judgments and assumptions.

Joint Control and Attribution

ESTMA requires the reporting of payments made by entities that are controlled by the Reporting Entity. This Report includes payments made by entities controlled by Teck, directly or indirectly as assessed under International Financial Reporting Standards. For payments made by joint arrangements, ESTMA and related guidance requires the reporting of payments to governments made directly by Teck or any such payments made on our behalf. Payments made by our joint arrangements are reported under ESTMA as follows:

- a) Fort Hills Energy Limited Partnership (Fort Hills)—We own 21.3049% of Fort Hills as of December 31, 2019. As Suncor Energy Inc. is the operator, they are reporting 100% of the payments to governments related to Fort Hills.
- b) NuevaUnión, Galore Creek Partnership and Antamina—We are reporting our proportionate share of payments to governments relating to our 50% ownership of NuevaUnión, our 50% ownership of Galore Creek Partnership and our 22.5% ownership of Antamina.

Government Payee

Any payments to a payee that is not a payee under ESTMA are not reported. We have determined that Alaska Native Corporations (ANCs) created under the *Alaska Native Claims Settlement Act* are not considered a government payee based on the criteria in ESTMA. ANCs are for-profit corporations with shareholders of shared Indigenous heritage. ANCs do not assume any regulatory, licensing or taxing roles that would grant them the power, duty or function of a government. ANCs are also not federal- or state-recognized tribes, per the United States Bureau of Indian Affairs. As such, payments made to ANCs, including NANA Regional Corporation, have been excluded from the ESTMA Report.

Corporate Social Responsibility (CSR) Payments

The ESTMA Report only includes CSR payments that we are obligated to make to a payee, or to another party under the direction of a payee, where the payee may control the nature, timing or extent of the payment, relating to the commercial development of oil, gas or minerals.

Payments to Governments: A Comprehensive View

ESTMA and the similar disclosure requirements imposed in other countries provide transparency into the extractive resources sector. To supplement the mandatory disclosure and to provide a clearer and more comprehensive view of our economic contribution, we have voluntarily disclosed information regarding payments to governments that is beyond the scope of ESTMA. The total payments reported voluntarily as well as under ESTMA include \$1.4 billion of payments to governments and \$401.5 million of tax withholdings that Teck collected on behalf of its employees.

The significant categories of payments that we report voluntarily and that are not required under ESTMA are as follows:

Joint Arrangements

ESTMA only applies to entities that are controlled by Teck. For payments made by joint arrangements, ESTMA and related guidance requires the reporting of payments to governments made directly by Teck or any such payments made on our behalf. For our voluntary report, to be consistent with the presentation of these joint arrangements in our financial statements, we are reporting our proportionate share. For example, this includes our 21.3049% share of payments to governments for Fort Hills Limited Energy Partnership, our 50% share of payments for Galore Creek Partnership, and our share in other partnerships.

Commercial Development

ESTMA applies only to payments made in connection with commercial development of oil, gas and minerals, which includes permitting, exploration, extraction, remediation and reclamation of a project. However, it excludes post-extraction activities, such as refining, smelting, marketing, distribution, transportation or export. In this voluntary report, we have included payments to government relating to post-extraction activities. For instance, this includes any payments in relation to our refinery in Trail, B.C., Canada, and payments in relation to transportation paid to the Alaska Industrial Development and Export Authority for our Red Dog Operations.

NANA Regional Corporation

Payments made by Teck to NANA Regional Corporation (NANA), which is an Alaska Native Corporation, are not reportable under ESTMA. However, we have included our payments to NANA in this Report, as we believe these payments are a significant socio-economic contribution to the NANA region.



Employees at Trail Operations, Canada

Indirect Tax

These are payments made to governments in the nature of sales tax, value added tax, and non-refundable goods and services tax.

Employer Payroll Taxes

These are the employer's portion of payments to governments for employees in the nature of social security, healthcare premiums, unemployment insurance, pensions and workers' compensation.

Employee Payroll Taxes Collected

These are tax-related withholdings from wages and benefits paid to our employees that are then remitted to governments on behalf of our employees.

2019 Total Payments to Governments

Payments Made by Country and Level of Government

(CAD\$ thousands)	Payments as Defined by ESTMA						Additional Payments				Total Payments to Governments ^{(1) (2)}	Employee Withholding (Collected)	
	Taxes	Royalties	Fees	Dividends	Infrastructure Improvement Payments	Total Payments as Defined by ESTMA	Taxes	Royalties	Fees	Other Payments			
Canada	332,340	2,080	30,410	-	3,800	368,630	31,220	17,710	5,040	193,060	615,660	-	327,010
Government of British Columbia	312,740	-	6,910	-	-	319,650	1,270	-	4,260	110,170	435,350	-	90
Government of Canada	-	-	1,350	-	-	1,350	2,130	-	110	79,280	82,870	-	326,920
Government of Alberta	3,030	-	700	-	-	3,730	10	17,710	670	2,140	24,260	-	-
Municipality of Wood Buffalo	-	-	-	-	-	-	15,880	-	-	-	15,880	-	-
City of Trail	-	-	-	-	-	-	11,420	-	-	270	11,690	-	-
District of Sparwood	6,850	-	260	-	3,800	10,910	-	-	-	70	10,980	-	-
District of Elkford	5,620	-	-	-	-	5,620	-	-	-	-	5,620	-	-
Ktunaxa Nation Council	-	2,080	2,760	-	-	4,840	-	-	-	40	4,880	-	-
Lower Nicola Indian Band	-	-	3,930	-	-	3,930	-	-	-	-	3,930	-	-
Mikisew Cree First Nation	-	-	3,510	-	-	3,510	-	-	-	20	3,530	-	-
District of Logan Lake	3,310	-	-	-	-	3,310	-	-	-	-	3,310	-	-
Athabasca Chipewyan First Nation	-	-	2,720	-	-	2,720	-	-	-	30	2,750	-	-
Citxw Nlaka'pamux Assembly	-	-	2,490	-	-	2,490	-	-	-	-	2,490	-	-
Nlaka'pamux Nation Tribal Council	-	-	1,820	-	-	1,820	-	-	-	-	1,820	-	-
Fort McKay First Nation	-	-	1,210	-	-	1,210	-	-	-	30	1,240	-	-
Stk'emlupsemc Te Secwepemc Nation	-	-	860	-	-	860	-	-	-	-	860	-	-
Kanaka Bar Indian Band	-	-	650	-	-	650	-	-	-	-	650	-	-
University of British Columbia	-	-	-	-	-	-	-	-	-	630	630	-	-
Yellowhead County	370	-	-	-	-	370	-	-	-	-	370	-	-
Tahltan Nation	-	-	210	-	-	210	-	-	-	70	280	-	-
City of North Vancouver	-	-	-	-	-	-	270	-	-	-	270	-	-
Alexis Nakota Sioux Nation	-	-	260	-	-	260	-	-	-	10	270	-	-
District of Tumbler Ridge	240	-	-	-	-	240	-	-	-	-	240	-	-
Government of Ontario	-	-	-	-	-	-	20	-	-	200	220	-	-
Fort McMurray First Nation	-	-	200	-	-	200	-	-	-	-	200	-	-
City of Kimberley	180	-	-	-	-	180	-	-	-	-	180	-	-
Métis Nation of Alberta Local 1909	-	-	160	-	-	160	-	-	-	-	160	-	-
Métis Nation of Alberta Region 1	-	-	150	-	-	150	-	-	-	-	150	-	-
Ermieskin Cree Nation	-	-	130	-	-	130	-	-	-	-	130	-	-
Whitefish Lake First Nation	-	-	130	-	-	130	-	-	-	-	130	-	-
City of Richmond	-	-	-	-	-	-	120	-	-	-	120	-	-
City of Toronto	-	-	-	-	-	-	100	-	-	-	100	-	-
Akisqnuq First Nation	-	-	-	-	-	-	-	-	-	100	100	-	-
United States	122,810	370	1,600	-	-	124,780	260	297,320	840	63,950	487,150	-	30,750
NANA Regional Corporation	-	-	-	-	-	-	170	297,320	660	-	298,150	-	-
State of Alaska	45,950	-	530	-	-	46,480	-	-	-	49,620	96,100	-	170
Government of United States	40,030	-	-	-	-	40,030	10	-	-	10,210	50,250	-	30,400
District of Northwest Arctic Borough	34,740	-	-	-	-	34,740	-	-	-	320	35,060	-	-
State of Washington	-	370	-	-	-	370	-	-	-	3,660	4,030	-	70
State of California	1,270	-	-	-	-	1,270	-	-	-	-	1,270	-	50
Native Village of Kivalina	-	-	580	-	-	580	-	-	-	-	580	-	-
State of Texas	470	-	-	-	-	470	-	-	-	-	470	-	-
City of St. Louis	-	-	320	-	-	320	-	-	-	-	320	-	-
City of Pend Oreille	350	-	-	-	-	350	-	-	-	-	350	-	-
State of Minnesota	-	-	170	-	-	170	-	-	-	-	170	-	60
State of Oregon	-	-	-	-	-	-	50	-	100	-	150	-	-
State of Ohio	-	-	-	-	-	-	-	-	-	140	140	-	-
State of Arizona	-	-	-	-	-	-	30	-	80	-	110	-	-

(1) Payments denominated in a foreign currency are translated using the closing spot rate on December 31, 2019. Exchange rates used for translation per \$1 Canadian Dollar are as follows: PEN 0.3915; USD 1.2962; CLP 0.0018; TRY 0.2179; MXN 0.0687; AUD 0.9112

(2) Total 2019 net refunds from governments on income and resource taxes, and infrastructure improvement payments were \$50.6 million. These refunds were not included in the table above.

Payments Made by Country and Level of Government (continued)

(CAD\$ thousands)	Payments as Defined by ESTMA						Additional Payments				Total Payments to Governments ^{(1) (2)}	Employee Withholding (Collected)	
	Taxes	Royalties	Fees	Dividends	Infrastructure Improvement Payments	Total Payments as Defined by ESTMA	Taxes	Royalties	Fees	Other Payments			
Peru	167,700	-	4,460	-	6,200	178,360	80	-	-	5,810	184,250	-	22,540
Government of Peru	167,700	-	4,310	-	6,200	178,210	-	-	-	5,520	183,730	-	22,540
Provincial Municipality of Huarney	-	-	-	-	-	-	80	-	-	290	370	-	-
Autoridad Autonoma de Majes	-	-	150	-	-	150	-	-	-	-	150	-	-
Chile	71,640	-	6,230	3,760	-	81,630	-	-	-	8,880	90,510	-	19,150
Government of Chile	70,150	-	1,630	3,760	-	75,540	-	-	-	7,430	82,970	-	19,150
Quechua Indigenous Community of Huatacondo	-	-	1,280	-	-	1,280	-	-	-	30	1,310	-	-
Asociación Indígena Aymara Salar de Coposa	-	-	1,120	-	-	1,120	-	-	-	-	1,120	-	-
Grupos Humanos pertenecientes a Pueblos Indígenas de Tamentica	-	-	160	-	-	160	-	-	-	960	1,120	-	-
Municipality of Las Condes	810	-	-	-	-	810	-	-	-	-	810	-	-
Municipality of Pica	-	-	790	-	-	790	-	-	-	-	790	-	-
Municipality of Andacollo	680	-	-	-	-	680	-	-	-	100	780	-	-
Asociación Ganadera Indígena de Copaquire	-	-	250	-	-	250	-	-	-	120	370	-	-
Grupos Humanos pertenecientes a Pueblos Indígenas de Copaquire	-	-	290	-	-	290	-	-	-	50	340	-	-
Municipality of Iquique	-	-	280	-	-	280	-	-	-	-	280	-	-
Asociación Indígena Aymara Naciente Collahuasi	-	-	200	-	-	200	-	-	-	-	200	-	-
Corporación De Desarrollo De La Provincia El Loa	-	-	-	-	-	-	-	-	-	170	170	-	-
Grupos Humanos pertenecientes a Pueblos Indígenas de Chiclla	-	-	120	-	-	120	-	-	-	20	140	-	-
Asociación Indígena Aymara Ganadera y Cultural Quebrada de Yabricollita y Caya	-	-	110	-	-	110	-	-	-	-	110	-	-
Turkey	-	-	980	-	-	980	-	-	-	1,330	2,310	-	550
Government of Turkey	-	-	980	-	-	980	-	-	-	1,330	2,310	-	550
Ireland	-	-	-	-	-	-	-	-	40	510	550	-	330
Government of Ireland	-	-	-	-	-	-	-	-	40	510	550	-	330
Australia	-	-	260	-	-	260	-	-	-	260	520	-	980
Government of Australia	-	-	100	-	-	100	-	-	-	100	200	-	980
Queensland Government	-	-	160	-	-	160	-	-	-	-	160	-	-
Government of Western Australia	-	-	-	-	-	-	-	-	-	160	160	-	-
Mexico	-	-	380	-	-	380	-	-	-	50	430	-	160
Government of Mexico	-	-	380	-	-	380	-	-	-	50	430	-	160
International⁽³⁾	-	-	-	-	-	-	-	-	-	4,890	4,890	-	-
United Nations	-	-	-	-	-	-	-	-	-	4,890	4,890	-	-
Total payments to governments	694,490	2,450	44,320	3,760	10,000	755,020	31,560	315,030	5,920	278,740	1,386,270	-	401,470

(1) Payments denominated in a foreign currency are translated using the closing spot rate on December 31, 2019. Exchange rates used for translation per \$1 Canadian Dollar are as follows: PEN 0.3915; USD 1.2962; CLP 0.0018; TRY 0.2179; MXN 0.0687; AUD 0.9112

(2) Total 2019 net refunds from governments on income and resource taxes, and infrastructure improvement payments were \$50.6 million. These refunds were not included in the table above.

(3) Payments include contributions to projects run by World Food Programme and UNICEF Canada in China and India.

Payments Made by Country and on a Project-by-Project Basis

(CAD\$ thousands)	Payments as Defined by ESTMA						Additional Payments				Total Payments to Governments	Employee Withholding (Collected)
	Taxes	Royalties	Fees	Dividends	Infrastructure Improvement Payments	Total Payments as Defined by ESTMA	Taxes	Royalties	Fees	Other Payments		
Canada	332,340	2,080	30,420	-	3,800	368,640	31,220	17,710	5,040	193,060	615,670	327,010
Corporate Office—Coal	12,570	2,080	7,620	-	3,800	26,070	-	-	-	91,320	117,390	167,910
Fording River	112,890	-	295	-	-	113,185	-	-	-	6,580	119,765	-
Highland Valley Copper	23,840	-	10,780	-	-	34,620	-	-	-	25,950	60,570	51,240
Head Office—Canada	10	-	300	-	-	310	2,330	-	30	31,780	34,450	58,170
Elkview	86,950	-	55	-	-	87,005	-	-	-	4,940	91,945	-
Trail	-	-	-	-	-	-	12,740	-	4,340	21,750	38,830	48,420
Greenhills	64,100	-	40	-	-	64,140	-	-	-	3,060	67,200	-
Fort Hills	-	-	-	-	-	-	15,810	17,710	670	-	34,190	-
Line Creek	24,720	-	220	-	-	24,940	-	-	-	2,720	27,660	-
Frontier	220	-	9,170	-	-	9,390	70	-	-	100	9,560	-
Cardinal River	3,160	-	1,170	-	-	4,330	-	-	-	3,180	7,510	-
Coal Mountain	3,380	-	170	-	-	3,550	-	-	-	320	3,870	-
Neptune Bulk Terminals	-	-	-	-	-	-	270	-	-	1,190	1,460	1,270
Quintette	100	-	220	-	-	320	-	-	-	30	350	-
Galore Creek	20	-	210	-	-	230	-	-	-	140	370	-
Sullivan	250	-	70	-	-	320	-	-	-	-	320	-
Bullmoose	130	-	70	-	-	200	-	-	-	-	200	-
Duck Pond	-	-	30	-	-	30	-	-	-	-	30	-
United States	122,810	370	1,610	-	-	124,790	260	297,320	840	63,950	487,160	30,750
Red Dog	68,970	-	920	-	-	69,890	170	297,320	670	57,190	425,240	22,900
Corporate Office—US	53,490	-	130	-	-	53,620	90	-	-	3,180	56,890	2,220
Pend Oreille	350	370	-	-	-	720	-	-	100	3,580	4,400	5,630
Mesaba	-	-	500	-	-	500	-	-	-	-	500	-
US Exploration Properties	-	-	60	-	-	60	-	-	70	-	130	-
Peru	167,710	-	4,460	-	6,200	178,370	80	-	-	5,810	184,260	22,540
Antamina	167,590	-	3,180	-	6,200	176,970	80	-	-	5,710	182,760	21,410
Peru Exploration Properties	-	-	890	-	-	890	-	-	-	-	890	660
Zafranal	120	-	390	-	-	510	-	-	-	100	610	240
Corporate Office—Peru	-	-	-	-	-	-	-	-	-	-	-	230
Chile	71,630	-	6,220	3,760	-	81,610	-	-	-	8,880	90,490	19,150
Carmen de Andacollo	54,280	-	340	3,760	-	58,380	-	-	-	280	58,660	3,370
Corporate Office—Chile	14,230	-	-	-	-	14,230	-	-	-	7,370	21,600	11,990
Quebrada Blanca	3,050	-	5,250	-	-	8,300	-	-	-	1,180	9,480	2,710
NuevaUnión	70	-	630	-	-	700	-	-	-	50	750	1,080
Turkey	-	-	960	-	-	960	-	-	-	1,330	2,290	550
Corporate Office—Turkey	-	-	20	-	-	20	-	-	-	1,330	1,350	550
Turkey Exploration Properties	-	-	510	-	-	510	-	-	-	-	510	-
Halilaga	-	-	130	-	-	130	-	-	-	-	130	-
Kizildam	-	-	120	-	-	120	-	-	-	-	120	-
TV Tower	-	-	110	-	-	110	-	-	-	-	110	-
Belen	-	-	60	-	-	60	-	-	-	-	60	-
Biga	-	-	10	-	-	10	-	-	-	-	10	-
Ireland	-	-	-	-	-	-	-	-	40	510	550	330
Corporate Office—Ireland	-	-	-	-	-	-	-	-	-	510	510	330
Ireland Exploration Properties	-	-	-	-	-	-	-	-	40	-	40	-
Australia	-	-	270	-	-	270	-	-	-	260	530	980
Corporate Office—Australia	-	-	-	-	-	-	-	-	-	260	260	980
Australia Exploration Properties	-	-	240	-	-	240	-	-	-	-	240	-
Lennard Shelf	-	-	30	-	-	30	-	-	-	-	30	-
Mexico	-	-	380	-	-	380	-	-	-	50	430	160
San Nicolás	-	-	200	-	-	200	-	-	-	-	200	-
Corporate Office—Mexico	-	-	-	-	-	-	-	-	-	50	50	160
Alacran	-	-	120	-	-	120	-	-	-	-	120	-
La Verde	-	-	60	-	-	60	-	-	-	-	60	-
International	-	-	-	-	-	-	-	-	-	4,890	4,890	-
Head Office—Canada	-	-	-	-	-	-	-	-	-	4,890	4,890	-
Total payments to governments	694,490	2,450	44,320	3,760	10,000	755,020	31,560	315,030	5,920	278,740	1,386,270	401,470

(1) Payments denominated in a foreign currency are translated using the closing spot rate on December 31, 2019. Exchange rates used for translation per \$1 Canadian Dollar are as follows: PEN 0.3915; USD 1.2962; CLP 0.0018; TRY 0.2179; MXN 0.0687; AUD 0.9112

Income and Resource Taxes Paid

Table 4: Reconciliation of Total Tax Expense to Income and Resource Taxes Paid in 2019

(CAD\$ millions)	2019	Tax Rate (%)
Loss before taxes	\$ 468	
Tax recovery at the Canadian statutory income tax rate of 26.94%	(126)	(27%)
Tax effect of:		
Resource taxes	226	
Resource and depletion allowances	(85)	
Non-temporary differences	111	
Other	(6)	
Total income tax expense	\$ 120	26%
Temporary differences:		
Net operating loss carryforwards	(57)	
Property, plant and equipment	219	
Decommissioning and restoration provisions	199	
Other	95	
Total current income tax expense	576	123%
Net taxes paid relating to prior years	13	
Net taxes refundable in subsequent years	6	
Total income taxes paid	\$595	127%

Overall Effective Tax Rate

Our overall effective tax rate in 2019 was 26%. Excluding the impact of asset impairment charges, our effective tax rate would have been 34%. The actual rate depends on the effective tax rate of each jurisdiction in which we operate and the proportion of our profits or losses from those operations. This rate reflects the two main types of income taxes we pay: corporate income taxes and resource taxes on mining profits. Head office corporate, non-operating, and finance expenses are generally only deductible for corporate income tax purposes at the Canadian corporate income tax rate of 27%. We also note that some of our expenses, for example, stock-based compensation costs and capital losses, are not wholly deductible for tax purposes in Canada or elsewhere. These limitations can cause our overall effective tax rate to be skewed higher during periods of lower operating margins.

Income Tax Expense vs. Income Taxes Paid

Our overall income tax expense recorded in our financial statements will differ from current taxes payable due to the timing of the recognition of certain income and expense items by each jurisdiction in which we operate. The timing of income and deductions is set for tax purposes by taxation authorities, while recognition for

financial statement purposes is based on International Financial Reporting Standards as required by securities regulators. This results in differences in the timing of when income is recognized and when the related taxes become payable, but not in the ultimate amount of taxes paid. Taxes paid may also be different because legislated payment schedules base initial tax instalments on projected or historical profits, rather than on the actual taxes due for any year, with final payments occurring in the following year, or years in the case of refunds. We are subject to assessments by various taxation authorities, who may interpret tax legislation differently than we do. The final amount of taxes to be paid depends on a number of factors, including the outcomes of audits, appeals or negotiated settlements. The resolution of any assessments resulting in payments or refunds may occur after the year in which the items to which they relate occur. In 2019, despite an overall loss, we had taxable profits in certain jurisdictions and hence incurred current income tax expense and paid income taxes in the period.

Independent Auditor's Report

To the Board of Directors of Teck Resources Limited

Report on the audit of the selected subject matter contained in the 2019 Economic Contribution Report

Our opinion

In our opinion, the accompanying selected subject matter contained in the 2019 Economic Contribution Report (the "Report") of Teck Resources Limited (the "Entity") for the year then ended December 31, 2019 is prepared, in all material respects, in accordance with the basis of accounting described in the "Payments to Governments: Extractive Sector Transparency Measures Act" section of the basis of report on pages 17 to 19.

What we have audited

The Entity's selected subject matter comprises the total payments as defined by the Extractive Sector Transparency Measures Act (the "ESTMA") as included in the tables "Payments Made by Country and Level of Government—Payments as Defined by ESTMA" on pages 21 to 22 of the Report and "Payments Made by Country and on a Project-by-Project Basis—Payments as Defined by ESTMA" on page 23 of the Report (the "selected subject matter").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the selected subject matter* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the selected subject matter in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter—basis of accounting

We draw attention to "Payments to Governments: Extractive Sector Transparency Measures Act" section of the basis of report on pages 17 to 19, which describes the basis of accounting. The selected subject matter is prepared to assist the Entity in complying with the reporting requirements of the ESTMA. As a result, the selected subject matter may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information contained in the Report, except for the selected subject matter. Accordingly, we do not express an opinion on information contained in the other pages of the Report.

Responsibilities of management and those charged with governance for the selected subject matter

Management is responsible for the preparation of the selected subject matter in accordance with the basis of accounting described in the "Payments to Governments: Extractive Sector Transparency Measures Act" section of the basis of report on pages 17 to 19, and for such internal control as management determines is necessary to enable the preparation of the selected subject matter that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the selected subject matter

Our objectives are to obtain reasonable assurance about whether the selected subject matter as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this selected subject matter.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the selected subject matter, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the selected subject matter. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mark Patterson.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Vancouver, British Columbia, Canada
June 2, 2020

Cautionary Note on Forward-Looking Statements

Certain statements contained in this report constitute forward-looking statements within the meaning of the United States *Private Securities Litigation Reform Act of 1995* and forward-looking information within the meaning of the *Securities Act (Ontario)* and comparable legislation in other provinces (collectively, “forward-looking statements”), concerning our business, goals, operations and strategy. Forward-looking statements in this report include, but are not limited to, statements relating to our targeted contribution levels, policy goals (including but not limited to our goals and expectations relating to creating value throughout the mining life cycle), operational and sustainability goals and plans, and our expectations regarding those goals and plans, our statements about our projects and their anticipated life and impacts, and our statements around expectations of our economic contribution to stakeholders. The forward-looking statements in this report are based on current estimates, projections, beliefs, estimates and assumptions of the management team and are believed to be reasonable, though inherently uncertain and difficult to predict. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, experience or achievements of Teck to be materially different from those expressed or implied by the forward-looking statements. Risks and uncertainties that could influence actual results include, but are not limited to the following: changes in Teck’s policies, regulatory action, changes in laws and governmental regulations, general business and economic conditions, and the future operation and financial performance of the company generally. Certain of these risks and other additional risk factors are described in more detail in Teck’s Annual Information Form and its management’s discussion and analysis and other documents available at www.sedar.com and in public filings with the United States Securities and Exchange Commission at www.sec.gov. These statements speak only as of the date of this report. Teck does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

Corporate Directory

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[2019 Annual Report](#)



[2019 Sustainability Report](#)

Contact

Suite 3300, 550 Burrard Street
Vancouver, British Columbia, Canada
V6C 0B3

+1.604.699.4000 Tel

+1.604.699.4750 Fax

www.teck.com