

## Our Approach to Business and Sustainability

### Which Teck sites does this document apply to?

This document summarizes our approach to business and sustainability. This document applies to all Teck-controlled sites and projects, inclusive of contractor activities. This does not include operations in which Teck has/had an ownership interest but is not the principal operator.

**Sustainability performance information:** See our **Annual Sustainability Report**, available for download on our website.



Greenhills Operations, Canada, 2019.

### Background

Teck’s purpose is to provide essential resources the world is counting on to make life better while caring for the people, communities and land that we love. In line with this purpose, our strategy is focused on accelerating growth in copper, maximizing cash flows from operations to fund copper growth, strengthening our existing high-quality assets through our innovation program RACE, discipline in capital allocation and leadership in sustainability. We believe that this strategy will ensure we are well positioned for changes in demand for mining commodities driven by the low-carbon transition.

The success of our business depends on our ability to create value in a way that meets the needs of the company, our shareholders, communities and other stakeholders, while accounting for the broader

environmental, social and economic context in which Teck operates. This requires us to understand the evolving global environment and to take an integrated approach to identifying, prioritizing and managing sustainability risks and opportunities. Successfully managing this approach can allow us to create value in a sustainable and beneficial way.

As represented below, our operations affect and are affected by communities, economies and environments. Each operation has three major phases: exploration and project development, operation (mining and processing, sales and transportation), and closure and reclamation. Sustainability is foundational throughout the phases of the mining life cycle. Strong sustainability practices are an essential part of reducing risk, lowering costs, recruiting talented people, increasing access to opportunity and building long-term shareholder value.

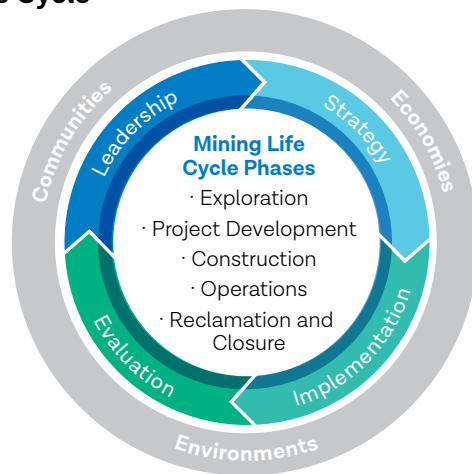
### Sustainability During the Mining Life Cycle

#### Leadership:

Our Board of Directors, senior management and General Managers set the direction for our approach to business and sustainability.

#### Evaluation:

The context in which we operate is constantly changing. We evaluate and respond to these changes and update activities accordingly.



#### Strategy:

Our path forward, including our goals, objectives and commitments, is articulated in company-wide strategies, charters and policies.

#### Implementation:

Sustainability is operationalized across our business through the implementation of our strategy, management standards, governance and audits.

# Board and Executive Leadership in Sustainability

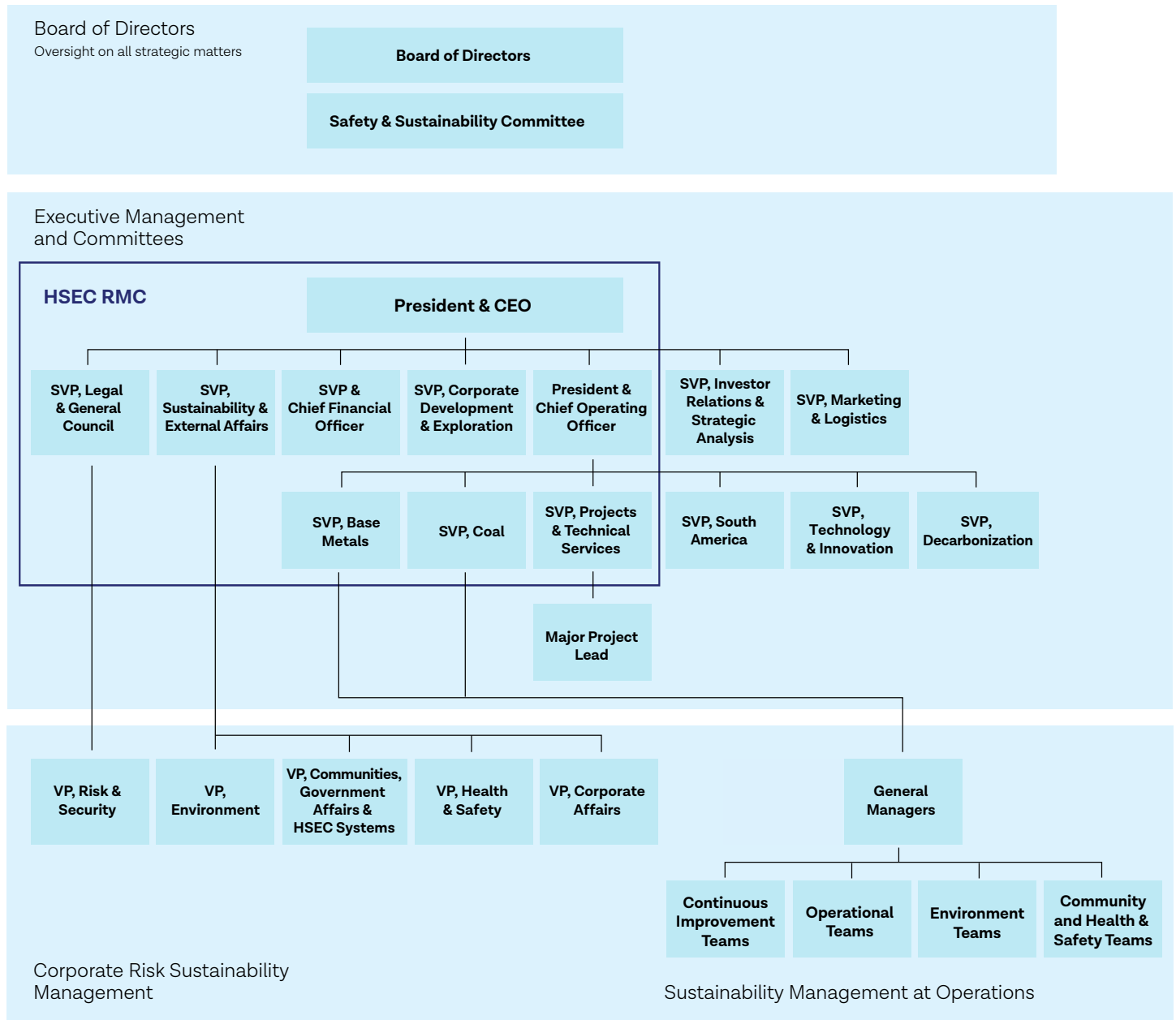
Our Board of Directors is responsible for the stewardship of our company and ensures that appropriate corporate governance structures and systems are in place. Our key governance practices are overseen by the Corporate Governance and Nominating Committee of the Board and are described in detail in our [Management Proxy Circular](#).

The Safety and Sustainability Committee of the Board supports the Board in overseeing health, safety and sustainability policies, systems, performance and auditing. The Safety and Sustainability Committee also reviews and recommends the annual Sustainability Report and other

relevant reports such as Teck's Climate Change Outlook Report to the Board for approval. See our [Management Proxy Circulars](#) for annual reports of the Safety and Sustainability Committee.

The Board works to enhance its understanding of sustainability topics at regular meetings, strategy sessions and site visits. The Chair of the Safety and Sustainability Committee reports to the full Board of Directors quarterly. The Board also participates in special presentations on a variety of topics, including human rights, climate change, cultural heritage management, tailings management, water quality management, workplace hazard recognition, engagement with communities and with Indigenous Peoples, cybersecurity, public policy and government regulations.

## Sustainability Governance Structure



In addition to a corporate response mechanism, response mechanisms have been implemented at all of our operations and significant projects. Issues or new risks identified through response mechanisms are brought to the attention of the Safety and Sustainability Committee and to the Health, Safety, Environment and Community (HSEC) Risk Management Committee. Feedback is rated on a scale of seriousness, and critical concerns are flagged. For more details on response mechanisms, see [Our Approach to Relationships with Communities](#) and [Our Approach to Business Ethics](#).

## Board Diversity, Qualifications and Expertise

The Board has adopted a Board Diversity Policy that recognizes that having directors from diverse backgrounds and with different experiences benefits the company by enabling the Board to consider issues from a variety of perspectives. The policy includes a goal of having no one gender comprise more than 70% of directors by the end of June 2023. When assessing potential candidates for nomination to the Board, in addition to considering their business skills, qualifications and career history, the Board considers a candidate's gender, membership in a visible minority, Indigenous heritage and whether a candidate self-identifies as a person with disabilities.

The Corporate Governance & Nominating Committee conducts an annual Board, committee and peer effectiveness review process. On a biannual basis, the review is conducted or facilitated by an independent third party. Results of the annual review process are shared with the full Board and individual directors, with respect to feedback on their performance. See our [Management Proxy Circular](#) for further information.

## Executive Sustainability Management Committees

As summarized in the Sustainability Governance Structure figure, the following management committees and members of the senior management team are responsible for overseeing Teck's sustainability implementation and performance. Our Senior Vice President, Sustainability and External Affairs reports directly to our Chief Executive Officer (CEO) and is the main senior executive responsible for sustainability, health and safety, environment, community relations and Indigenous relations, among other areas.

Our senior management team is responsible for overseeing our sustainability strategy, including goal development and progress against our goals. We also have a dedicated corporate team of approximately 100 Teck employees whose primary job responsibilities are focused on providing oversight of our collective efforts on environmental, social and community issues. General Managers are accountable for implementing internal HSEC Management Standards and external voluntary requirements at their operation, for conformance with and certification under the International Organization for Standardization ISO 14001 standard where

applicable, and for continual progress towards annual HSEC targets, including our sustainability goals. Each General Manager reports to either a Vice President or the Senior Vice President of their respective business unit.

## Compensation

Our compensation program for employees is linked to health, safety, social and environmental performance through individual, department and company-wide objectives. Hundreds of employees across our operations are engaged in implementing specific projects and practices related to our goals. All employees are engaged in our sustainability strategy, through internal communications and day-to-day activities, to help us achieve our goals.

Short-term incentive compensation of the CEO and senior officers is performance-based and includes several sustainability performance indicators. This bonus compensation structure is based on objectives outlined through three components: corporate, business unit and personal. Across the three components, objectives related to sustainability performance which may include health and safety, water stewardship, climate change, communities, Indigenous Peoples, human rights, tailings and waste management affect approximately 10%–20% of the bonus as a whole. The business unit component for operations has three metrics: production (33.3%), cost (33.3%) and sustainability (33.3%) of the specific operation. See more on individual performance related to these metrics in Teck's annual [Management Proxy Circular](#).

In order to strengthen the link between executive compensation and our sustainability performance, a new sustainability progress index was developed in 2022 for use in the performance share unit component of our long-term incentive program. Each of the sustainability objectives aligns strongly with Teck's overall corporate strategy and will be measured against specific targets. The sustainability progress index will measure Teck's progress against specific goals in five key areas: climate change; biodiversity and closure; tailings facilities management; equity, diversity and inclusion (EDI); and performance on environmental, social and governance (ESG) ratings and rankings. Two of these metrics—EDI and climate change—align with performance indicators included in our sustainability-linked loan facility. The sustainability progress index comprises a 20% performance factor for long-term incentive grants beginning in 2022.

Changes are also being made to the sustainability portion of the annual incentive plan, which makes up a portion of the business unit component, along with performance against cost, production targets and other corporate objectives. For 2022, each operation's sustainability performance was assessed based on the following:

- **Sustainability Goal:** advancing progress against a key sustainability goal related to rehabilitation
- **Risk Management:** enhancing environmental and social risk management through review and verifications

- **Incident Management and Compliance:** tracking and investigation of environmental incidents

The sustainability performance portion of the business unit component for functional groups, including the CEO, will be based on weighted average sustainability performance of all sites.

## Sustainability Strategy and Commitments

Our sustainability strategy was officially established in 2010 when we created short-term goals for 2015 and long-term goals for 2030 in six focus areas: Ecosystems and Biodiversity, Energy and Climate Change, Community, Water, Materials Stewardship, and Our People.

As priorities for investors, stakeholders and Indigenous Peoples continue to evolve, we constantly evaluate our sustainability goals and strategy. We want our strategy to continue to position Teck as a leader in sustainability, to reduce long-term costs associated with major risks and to build shareholder value.

With that in mind, we undertook a broad engagement program in 2019 across the organization and with external stakeholders to identify and prioritize global trends and issues to set a new sustainability strategy. A total of 24 topics were identified during these engagements, which were then prioritized based on three lenses:

1. Key issues identified internally by employees
2. Key issues for investors and other communities of interest
3. Key issues for industry leadership

Applying the three lenses for prioritization resulted in eight strategic themes: Health and Safety, Climate Change, Responsible Production, Our People, Water, Tailings Management, Communities and Indigenous Peoples, and Biodiversity and Closure. In 2020, the sustainability goals were approved by the Board of Directors and we launched new sustainability goals aligned to the identified strategic themes. This strategy renews and strengthens our existing commitments, sets targets in new focus areas and sets out our long-term strategic priorities. See more in the [Sustainability Strategy](#) section of our website.

Our sustainability strategy is integrated into decision-making by embedding it into management standards, into remuneration and into corporate, site and employee annual plans and objectives. To align priorities at all levels of the company, our corporate, site and employee objective-setting and evaluation processes are updated to reflect the broader performance objectives set out in our strategy. Throughout the year, our senior management team and the Safety and Sustainability Committee of the Board review performance against our sustainability strategy and approve future actions.

## Internal Commitments

The sustainability strategy is supported by our company-wide commitments as outlined in Teck's topic-specific policy documents:

- **Anti-Bribery and Corruption Compliance Policy and Interpretation Guide:** Supplements our existing Code of Ethics and reinforces our commitment to work against corruption in all its forms
- **Climate Change Policy:** Our commitment to taking climate action, including reducing our own emissions, adapting to physical impacts and advocating for global action to limit global warming to 1.5°C
- **Code of Sustainable Conduct:** Our commitment to sustainable development, focusing on aspects such as community and environmental performance, which is applicable to all employees and contractors
- **Code of Ethics:** Our dedication to upholding high moral and ethical standards, specifying basic business conduct and behaviour
- **Equity, Diversity and Inclusion Policy:** Our commitment to supporting an equitable, diverse and inclusive workplace that recognizes and values difference and where everyone is treated fairly with dignity and respect
- **Health and Safety Policy:** Our commitment to providing leadership and resources for entrenching the core value of safety
- **Human Resources Global Policy—Harassment:** Our commitment to provide a work environment in which employees are treated with dignity and respect
- **Human Rights Policy:** Our commitment to respecting the rights of our employees, the communities in which we operate and others affected by our activities
- **Indigenous Peoples Policy:** Our commitment to respect the rights, cultures, interests, and aspirations of Indigenous Peoples
- **Political Contributions Policy:** Our commitment to zero direct political donations
- **Responsible Mineral Sourcing Policy:** Our commitment to responsible sourcing of minerals and to promote to our suppliers conflict-sensitive sourcing practices
- **Tax Policy:** Our commitment to be transparent, cooperative, compliant and ethical in all tax matters
- **Water Policy:** Our commitment to protect water and the life it sustains by being an industry leader in water stewardship

All Teck contractors and suppliers are required to follow our [Expectations for Suppliers and Contractors](#), which builds on our [Code of Ethics](#), our [Human Rights Policy](#) and our [Anti-Bribery and Corruption Compliance Policy and Interpretation Guide](#). The expectations apply to contractors and suppliers and all their parent, subsidiary and affiliated companies, and their respective employees, contractors and agents. That document includes our requirement that contractors and suppliers will address issues relating to

ethics, health and safety, environmental stewardship and human rights, including numerous labour requirements. In addition, the expectations outline requirements on fair working conditions, non-discrimination and the abolition of child labour and forced labour. These expectations are broadly communicated to all our suppliers and contractors and are included in our contracts in order to uphold these moral and ethical principles.

Our policies and other commitments such as our sustainability strategy and goals are communicated to employees and contractors through internal announcements, intranet newsletters, onboarding activities and other training. Our commitments are communicated to communities of interest (COIs) such as local communities, governments, regulatory bodies, industry associations and strategic partners as part of regular engagement, including one-on-one meetings and updates, as well as by participating in industry and multi-stakeholder committees.

## External Commitments

We take into consideration voluntary external standards and best practices in our governance of sustainability. Through our membership and involvement with several external organizations, we are able to contribute to and engage with others on the development of best practice in sustainability. Some of the key memberships that help to drive our performance and management of sustainability are:

- International Council on Mining and Metals (ICMM):** A global industry association that represents leading international mining and metals companies; as an ICMM member, we are required to implement the ICMM 10 Principles and position statements on sustainability practices, to produce an externally verified sustainability report using Global Reporting Initiative (GRI) Standards, and to implement the ICMM Assurance Procedure, which is a third-party verification process to verify that Teck meets the member requirements
- International Copper Association (ICA):** Brings together the global copper industry to develop and defend markets for copper and to make a positive contribution to society's sustainable development goals
- International Zinc Association (IZA):** A non-profit organization that promotes the role that zinc plays in product applications, human health and crop nutrition; we participate in IZA's programs that have a strategic focus in the areas of environment and sustainable development, technology and market development, and communications
- Mining Association of Canada (MAC)—Towards Sustainable Mining (TSM):** Promotes the growth and development of Canada's mining and mineral processing industry for the benefit of all Canadians. Through MAC, we are required to implement the TSM program, which aids in improving industry performance through the alignment of actions with the priorities and values of Canadians. As a MAC member, we conduct self-assessments at our operations and are subject to third-

party verification of our self-assessments in accordance with TSM standards for social and environmental responsibility.

- Extractive Industries Transparency Initiative (EITI):** Aims to strengthen governance by improving transparency and accountability in the extractives sector. The only EITI-implementing country where we currently have operations is Peru, and payments from the Antamina mine in that country to government are publicly disclosed in accordance with EITI standards. We engage in EITI through our ICMM partnership.
- ResponsibleSteel:** A not-for-profit organization that is the steel industry's first global multi-stakeholder standard and certification initiative to support traceability of materials from mine site through to steel manufacturers; Teck became a member of ResponsibleSteel in 2020 as part of our focus on collaborating with our customers and mining peers to further improve environmental and social performance across the industry
- The Copper Mark:** An assurance framework developed by the International Copper Association in 2019 to promote industry-wide responsible copper production practices and to demonstrate the industry's commitment to green transition
- United Nations Global Compact (UNGC):** Provides a framework for businesses committed to aligning their operations and strategies with 10 principles spanning human rights, labour, the environment and anti-corruption

A full list of Teck's [memberships, partnerships and external commitments](#) related to sustainability is available on our website, and updates on our work in this area can be found in the material topic chapters of our annual Sustainability Report.

## United Nations Sustainable Development Goals (SDGs)

Through our activities and initiatives, Teck is contributing to progress on the [UN SDGs](#). While we recognize that the mining industry has an opportunity to positively contribute to all 17 of the SDGs, Teck's sustainability strategy is most strongly aligned to the following goals:



An overview of the work Teck is doing to help address each of the 17 Sustainable Development Goals is available on our [website](#).

## Zinc & Health

Nearly 2 billion people worldwide are zinc-deficient, and zinc deficiency contributes to the death of nearly 200,000 children every year. As one of the world's largest producers of zinc, Teck is committed to helping solve the global health issue of zinc deficiency. Through our [Zinc & Health program](#), we have reached over 160 million people around the world.

## Copper and Health

As a major copper producer, we believe Teck can play an important role in increasing the use of antimicrobial copper in healthcare facilities to reduce the spread of infections. Through our [Copper & Health program](#), Teck is supporting critical research, building partnerships and raising awareness about the innovative use of antimicrobial copper to improve health outcomes in Canada and around the world.

## Sustainability Integration

Our approach to integrating sustainability across our business starts with embedding it in our business planning and our objective-setting processes, which are conducted on an annual basis. For example, risks and opportunities related to health and safety, environmental management, and relationships with Indigenous Peoples and local communities are reflected in the long-term plans for each business unit and operation. Sustainability is also linked to our compensation programs, as highlighted in the Compensation section on page 3.

## Integrated Risk Management

Our objective for sustainability is to work within the social, economic and environmental contexts in a way that ensures positive outcomes for our business and our stakeholders in the short and long term. Our process for integrating risk management throughout the business includes identifying, evaluating and addressing economic, social and environmental risks and opportunities on a regular basis.

The risks and impacts associated with our business are multi-faceted and require effective collaboration among departments, business units and external stakeholders. See the previous figure, which describes some of our major risks in the various phases of the mining life cycle.

## Mining Life Cycle Risks

Phases of Mining Life Cycle	Major Risks
Exploration, Project Development and Mining	<ul style="list-style-type: none"> <li>Land and water access, uneconomic mineral deposits, permits and regulations, support from communities and Indigenous Peoples, labour relations, cost fluctuations, health and safety incidents, natural disasters, environmental incidents and climate change</li> </ul>
Sales and Transportation	<ul style="list-style-type: none"> <li>Trade regulations, customer environmental management, supply and demand fluctuations, product substitution, and risks to transportation infrastructure and services</li> </ul>
Closure and Reclamation	<ul style="list-style-type: none"> <li>Environmental legacies and liabilities, changing regulatory standards, and support from communities and Indigenous Peoples</li> </ul>

We assess, manage and mitigate sustainability risks in several ways, including:

- Health, safety, environment and social risk assessments
- Ongoing consultation and engagement with Indigenous communities, COIs and Indigenous partners
- Economic Feasibility Studies and Social, Human Rights and Environmental Impact Assessments
- Social, Environmental and Regulatory Approval committees for new projects
- Pre-mining environmental and social baselines
- Environmental management (water, air, biodiversity, waste, energy and climate change) during and after operations
- Customer assessments to ensure responsible processing of our products
- Closure planning to create post-mining economic vitality in communities
- Reclamation of areas disturbed by mining

While certain sustainability issues remain constant from year to year, we regularly evaluate changes in the regulatory, economic, societal and environmental landscape to inform the continual improvement of our management approach. Further information on current risks can be found in our [Annual Information Form](#).

## Regulation, Permitting and Approvals

Our ability to operate depends on meeting legal compliance requirements and demonstrating value, both to shareholders and communities. We continually monitor and manage the social and environmental aspects of our activities in order to meet or exceed regulations and to ensure regulatory compliance. This helps us obtain and maintain approvals to operate and grow our business.

We engage directly and indirectly (through industry groups) with governments and regulators to support permitting processes that are practical and effective in meeting the needs of the local environment and communities. Once permits are granted, our assurance program is designed to confirm that we continue to meet all relevant requirements. We track our permit and other requirements, and the management of those requirements, such as discharge monitoring, in our compliance and task management systems.



Cardinal River Operations, Canada, 2013.

## Integrating Sustainability into Project Development

During project development, experts are engaged to facilitate early-stage integration of sustainability principles and practices. We continuously work to update the criteria that projects must apply as they progress through different phases, in order to better operationalize our sustainability goals within our project delivery framework. Our operations' sustainability goals are incorporated into the values that determine individual project development objectives and scoping decisions. We train our project managers on our sustainability strategy to enable them to better develop and implement the detailed plans that deliver the required

project objectives. Key project scoping and execution decisions undergo a structured decision-making process that explicitly and transparently identifies and incorporates relevant sustainability considerations.

## Health, Safety, Environment and Community Management Standards

Teck's HSEC Management Standards outline the framework for the identification and effective management of HSEC risks and opportunities, and define a process for continual improvement through the plan, do, check and act model. They also provide context for overarching corporate policies, procedures and guidelines, and site-level policies, procedures and guidelines. The HSEC

### Health, Safety, Environment and Community Management Structure



#### The 20 HSEC Management Standards include:

1. Safety, Health and Occupational Hygiene
2. Communities and Indigenous Peoples
3. Human Rights
4. Water, Ecosystems and Biodiversity
5. Materials Stewardship and Energy Efficiency
6. Mining Life Cycle Considerations—Transactions, Development and Closure
7. Contractors and Suppliers
8. Leadership and Commitment
9. Planning and Resources
10. Legal and Other Requirements
11. Risk and Change Management
12. Control of Activities
13. Monitoring—Measurement, Inspection and Audit
14. Preparing for Emergencies
15. Incident Investigation, Corrective and Preventive Action
16. Management Review and Continual Improvement
17. Organization, Roles and Responsibilities
18. Training, Awareness and Competence
19. Communication and Reporting
20. Documents and Records

Management Standards apply to all Teck-controlled sites, including contractor activities, and to activities including waste management, engineering/maintenance, selection of suppliers and contractors, development of new products and services, product distribution, new projects, exploration, and due diligence of mergers and acquisitions.

In addition to the HSEC Management Standards, eight of our nine active operations<sup>1</sup> are certified under International Organization for Standardization (ISO) Standard 14001. The ISO 14001 standard for environmental management systems exists to help organizations manage environmental impacts. We also have one operation that is certified under the ISO 50001 Energy Management System standard.

The HSEC Risk Management Committee, chaired by the CEO, is responsible for overseeing the Standards and providing oversight and direction to ensure continual improvement in sustainability performance as well as the implementation of relevant processes and policies across the company.

## Incident Management

An incident is an unintended event that, in the vast majority of cases, is immediately managed and that has no significant implications. We actively monitor and manage all incidents related to our activities, including those related to health and safety, communities and the environment.

All our operations have preventive control measures in place to minimize the likelihood of incidents and to mitigate potential effects on employees, communities or the environment in case an incident does occur. We apply a hierarchy of controls to strengthen our ability to prevent and mitigate risk. Control measures include Highly Protected Risk facility design considerations, spill containment measures, monitoring systems and alarms, standard operating procedures, training, regular inspections, and the identification of potential issues through internal risk assessments and audits.

Significant incidents are investigated to identify key contributing factors, and we implement corrective actions to help prevent incidents from reoccurring. We also share learnings from Teck across the mining industry for any significant incidents.

## Environmental Monitoring

We conduct a wide array of measurements to manage and evaluate our environmental performance. We monitor a range of environmental data, including:

- Emissions to air
- Ambient air quality, including particulate matter levels
- Noise levels
- Geotechnical information related to pit walls and water retention structures

- Environmental incidents
- Water quality (surface water, groundwater and permitted discharges to receiving water)
- Biodiversity (including land reclamation)
- Energy consumption and greenhouse gas emissions
- Material use and recycling information

As required, we develop corrective action plans based on findings from monitoring, and we regularly assess the implementation of these plans. All our operations have control measures in place to minimize the likelihood of environmental incidents and to mitigate potential effects on the environment in case an incident does occur.

## Understanding our Communities

Teck conducts annual public opinion surveys with people living near our Elk Valley, Highland Valley Copper, Red Dog and Trail operations to continue gathering insight on the issues that communities care about most. The data obtained helps us to measure and guide improvements in our performance, assess the impact of events, inform our planning processes and support our reporting. The surveys are conducted by an independent polling company.

## Cybersecurity

Cybersecurity is a risk that Teck mitigates through stringent management and governance of digital technology.

Effective management and governance of cyber risk in a world of increasing cyberthreats are fundamental to the long-term sustainability of our company.

The Audit Committee of our Board of Directors has explicit oversight for cybersecurity-related matters under its charter. The Audit Committee receives quarterly briefing materials on Teck's cybersecurity risk management program, including details of top threats, risk management activities, vendor and supply chain monitoring, and internal training and awareness programs.

Teck's Senior Vice President (SVP) and Chief Transformation Officer is the executive management team member responsible for overseeing cybersecurity within the company. Our Vice President and Chief Information Officer reports to the SVP and Chief Transformation Officer, and is accountable for all digital systems across Teck, including collaboration communications, cyber security, digital applications and digital operations. The Director, Information Security is responsible for developing and enacting the strategy as well as for the operation of the cybersecurity program at Teck. The nature of the cyberthreats facing Teck and the industry have evolved, particularly over the past three years, and are now primarily motivated by profit. As Teck moves to using more digital technologies, our tactics for managing risks will evolve alongside the changing environment.

<sup>1</sup> Includes Highland Valley Copper, Red Dog, Trail and Carmen de Andacollo operations, and our four steelmaking coal operations in the Elk Valley. This does not include operations in which Teck has/had an ownership interest but is not the operator, e.g., Antamina.



Fundamentally, Teck believes that cybersecurity is an industry-wide concern and has partnered with other companies in the mining and metals sector to form the global Mining and Metals Information Sharing and Analysis Center (MM-ISAC) to share threat information and best practices as an industry.

As cybersecurity attacks become more sophisticated, we may incur significant costs to upgrade or enhance our security measures or mitigate potential harm. Our exposure to these risks is expected to increase as we take steps to further integrate information technology in our operations through the adoption of technologies such as autonomous haulage and process control automation. Teck mitigates the risk of cybersecurity through stringent management and governance of digital technology. Our risk-based cybersecurity strategy is supported by a custom framework based on industry-leading practices from organizations such as the Information Systems Audit and Control Association (ISACA), Capability Maturity Model Integration (CMMI), Cybersecurity Maturity Model Certification (CMMC), the Canadian Centre for Cyber Security (CCCS), ISA Cybersecurity, the Factor Analysis of Information Risk (FAIR) Institute, the National Institute of Standards and Technology (NIST) and the Cloud Security Alliance (CSA). Effective management and governance of cyber risk in a world of increasing cyberthreats are fundamental to the long-term sustainability of our company.

The NIST framework, and our approach to cybersecurity, has five components:

- Identification: how we identify our threats, risks, gaps and problems in our environment
- Protection: how we protect our assets and the risks and gaps we identify
- Detection: how we remain on top of identification and leverage the data we have available to us to alert us
- Response: how we use specific protocols and authority to respond quickly and thoroughly if we detect an active attack in our environment
- Recovery: how we recover after managing an attack

### **Employee Engagement on Cybersecurity**

Information security/cybersecurity is part of our internal Acceptable Cyber Use Policy, and employees are required to sign this document during onboarding and to abide by the policy throughout their time at Teck. All individuals granted access to the Teck electronic systems, including guests, consultants, contractors, temporary employees and third-party service suppliers, are also required to sign off and comply with this policy.

All employees complete cybersecurity awareness training from the SANS Institute, an industry leader in the provision of cybersecurity training. In addition, periodic training on phishing is conducted for all employees.

## **Evaluation of Sustainability**

We periodically update our policies, management standards and management systems based on the changed expectations of best practice from our stakeholders, regulators and membership bodies. On an annual basis, individual and company objectives for sustainability are set and implemented through setting individual and team objectives. Our sustainability strategy is updated approximately every five years and is reflected in new short-term goals, and in revisions as required to our long-term goals.

### **Internal and External Assurance**

Our HSEC assurance program verifies that requirements are met, as defined by applicable permits, legislation and regulations in each jurisdiction. We conduct compliance audits on a three-year rotational basis for all operations, and plans are developed to address the findings based on risk priority criteria. We monitor and report to our HSEC Risk Management Committee on the progress of our assurance program on a quarterly basis. Follow-up checks and audits are conducted to evaluate the effectiveness of actions implemented in response to the audits.

We also conduct external verification of regulatory or voluntary external commitments. The table below provides an overview of the types of audits and evaluations that are conducted across our operations.

## **Sustainability, Innovation and Technology**

Innovation and technology are helping to improve our environmental and social performance while also making us a safer and more productive company.

We focus on finding better ways to manage water, reduce greenhouse gas emissions, control dust, and improve air quality and energy efficiency, while also improving lives through community investment across environment, health and economic empowerment.

RACE, which stands for Renew, Automate, Connect and Empower, is Teck's innovation program, which builds on our long history of innovation and early adoption to ensure a strong future for our company. RACE takes a company-wide approach to renewing our technology infrastructure, looking at opportunities for automation and robotics, connecting our data systems to enable broad application of advanced analytics and artificial intelligence, and empowering our employees.

There are three sustainability domains within RACE: water, tailings, and health and safety. In each, we are implementing digital products and applications to monitor and improve sustainability performance and inform management decision-making. Other aspects of RACE, such as mining autonomy and load-and-haul analytics, also generate sustainability benefits such as reductions in energy use, water use, and emissions.

## Internal and External Assurance of HSEC Management

Type	What is reviewed?	For whom?	Evaluation criteria
<b>Internal</b>			
Risk-based Health, Safety and Environment audits at each site	Adherence to regulatory and permit requirements, effectiveness of controls based on risk profile, corporate health and safety requirements	HSEC Risk Management Committee	Regulation, site-specific permits, internal standards
Follow-up effectiveness check	Validate effectiveness of closure of findings two years after initial audit		Action plans from past audit findings
Risk reviews	Control of high and extreme risks		Internal standards
ISO 14001 internal audits	Components of the environmental management system at selected sites	Site Management	ISO 14001 Environmental Management System Standard
<b>External</b>			
Towards Sustainable Mining (TSM) assurance	External verification of data reported to TSM from sites selected on a rotating schedule.	Mining Association of Canada	TSM Protocols
Sustainability Report assurance	External assurance of report, data and practices	International Council on Mining and Metals (ICMM)	ICMM Assurance Procedure
Greenhouse Gas (GHG) Regulation Assurance	Validation of GHG data reported and quantification of methodologies	Alberta and B.C. governments	Quantification methodologies defined by regulation
ISO 14001 external audits	Components of the environmental management system at certified sites	International Organization for Standardization (ISO)	ISO 14001 Environmental Management System Standard
ICMM Performance Expectations Validation	External validation of the ICMM Performance Expectations at an asset level on a rotating schedule, based on prioritization	ICMM	ICMM Performance Expectations
The Copper Mark Certification	The 32 Risk Readiness Assessment (RRA) Issue Areas	The Copper Mark	Risk Readiness Assessment
ISO 50001 certification	Components of the energy management system at selected sites	ISO	ISO 50001 Energy Management System Standard

Our *Ideas at Work* program celebrates the people, ideas and stories that are strengthening our company for the future. Through this program, we articulate our approach to innovation and technology, which is focused on four key pillars: safety, sustainability, productivity and growth.

### Engaging with Indigenous Peoples and Communities of Interest (COIs)

Engagement with Indigenous Peoples, communities, investors, customers and employees helps our mutual understanding of interests, concerns and aspirations, and builds trust throughout the mining life cycle. Indigenous Peoples and communities are identified based on the degree to which they are affected by, and interested in, our activities and relationships. We regularly identify the people in the areas that we operate in to:

- Understand the positive and negative impacts of our business
- Understand the risks and opportunities—for stakeholders and our business—associated with these impacts

- Manage these impacts in a responsible and effective manner
- Understand the effectiveness of our management actions

### Direct and Indirect Stakeholder Engagement and Management

Our direct engagement of stakeholders is organized into three broad levels: information disclosure, dialogue and participation. Our corporate teams also carry out direct engagement on an ongoing basis, which often includes engagement with governments, industry associations, peers, shareholders and potential investors.

We carry out indirect engagement through the application of externally developed standards and frameworks that reflect stakeholder expectations. Our engagement with stakeholders is guided by our HSEC Management Standards, which includes our Social Performance Standard and associated procedures. Trust and grievances from the people and organizations that we engage with are reported to the Safety and Sustainability Committee of our Board of Directors and to our HSEC Risk Management Committee.

## Engagement with Local and Indigenous Communities

All of our operations, exploration sites, projects and closed properties identify, prioritize and directly engage local and Indigenous governments and communities. Our work in this area is focused on:

- Disclosing and communicating accurate and timely information
- Maintaining an open dialogue, so all parties can fully understand and respond to each other's views and concerns
- Participating in decision-making around our activities
- Including Indigenous governments and communities, and other COIs in external assurance related to voluntary and membership requirements

Those responsible for engagement with local communities and Indigenous People are trained to take a people-centred approach to dialogue that is focused on relationships, rather than on issues. This helps ensure that engagement is productive and constructive, and that it directly contributes to the building and maintenance of long-term, trust-based relationships.

## Managing Employee and Community Feedback

Teck makes response mechanisms available at every operation, project and in every exploration region to enable those who want to provide feedback on our business practices—whether it's a comment, question, concern, complaint or compliment—to do so and, to do this anonymously. See [Our Approach to Relationships with Communities](#) for more details on how we manage community feedback.

*Doing What's Right* is our program designed to maintain an ethical and safe workplace and to ensure that our moral and ethical principles within our Code of Ethics are upheld. It also specifies the basic norms and behaviours for those conducting business on our behalf. Our *Doing What's Right* program is supported by additional ethics-related policies and procedures. Our employees, contractors and suppliers are given an opportunity to report any violations, or potential violations, of our Code of Ethics through our *Doing What's Right* program, which includes a whistleblower hotline and web portal that are managed by a third party. See [Our Approach to Business Ethics](#) for more details on this program.

## Training Related to Sustainability Commitments

Teck is committed to the ongoing development of our people, with a focus on leadership development and technical skills. We provide all employees with a variety of training opportunities, including general business education, change and project management, inclusive leadership, and a variety of environment and safety programs aligned with our sustainability commitments. Employees responsible for our sustainability commitments across the organization may apply for topic-specific training, and all employees may apply for additional training programs according to their local education assistance policies.