

Refiner Responsible Silver Compliance Report

The LBMA Responsible Silver Guidance has been established for Good Delivery Refiners to adopt high standards of due diligence in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict or financing cartel or terrorist activities, and to avoid contributing to anti-money laundering.

This report summarizes how Teck Metals Ltd has complied with the requirements of the LBMA Responsible Silver Guidance Version 1.

PART A: Refiner's Details

Refiner's name: Teck Metals Ltd
Location: Trail British Columbia Canada
Reporting year-end: 2022
Date of Report January 17, 2022
Compliance Officer responsible for this report: Richard Deane, Manager Commercial Services and Public Affairs Teck Metals Trail [Email Richard.Deane@teck.com](mailto:Richard.Deane@teck.com) Phone+1.250.364.4118

Signature:



Teck's evaluation

The following lists the minimum requirements that must be satisfied by Refiners in accordance with the *LBMA Responsible Silver Guidance Version 1* to demonstrate compliance.

PART B: Summary of activities undertaken to demonstrate compliance

Step 1: Establish strong company management systems

Teck Metals is compliant with Step 1 of the Responsible Silver Guidance

Adopt a company policy regarding due diligence for supply chains of silver

Teck has adopted a Teck Responsible Mineral Sourcing Policy first issued in July 2018 as the Teck Responsible Silver Sourcing Silver Policy. In 2019 it was broadened to include all mineral sourcing regardless of silver content, and approval of the policy moved to the VP Corporate Risk and Security. It is located publicly at <https://www.teck.com/products/other-metals/>.

Set up an internal management structure to support supply chain due diligence

Teck Metals maintains an internal management structure for supply chain due diligence. Teck Metals has assigned a Compliance Officer who is accountable for processes related to supply chain due diligence for silver. The Teck Resources Corporate Risk and Security Group is responsible for policies related to supply chain due diligence. The Teck Responsible Silver Management System defines the responsibility for each specific role that supports the silver supply chain.

The Responsible Sourcing Management System involves employees from many divisions of Teck Metals and Teck Resources. There are several broad-based Teck policies communicated to employees involved which require both formal training and sign-off annually, such as Teck’s Code of Ethics. In the case of the Responsible Mineral Sourcing Policy and Program, communication and ongoing training is focused on employees directly involved in the supply chain including decision making roles related to feed supply.

Establish a strong internal system of due diligence, controls and transparency over silver supply chain, including traceability and identification of other supply chain actors

Teck’s internal due diligence system requires all sources to define the mine source and country location of mineral origin. In 2022, Teck developed its own Supplier Information Form to better facilitate supplier information collection. In some cases, obtaining a supplier information form in a timely manner directly from suppliers can be challenging and Teck utilizes several other alternative sources to confirm necessary supplier and source information. Teck continues to work to obtain outstanding supplier information forms from suppliers and assists in developing capacity for those suppliers that are still gaining knowledge of responsible sourcing programs. Teck applies defined levels of risk screening for each mineral source/counterparty. Teck also considers the country/area transit routes of feed sources and entities involved in the silver supply chain from mine to Trail Operations. Teck’s internal raw materials management system tracks lot receipts and documents transactions. Teck only receives payment through official banking channels.

Strengthening company engagement with silver supplying counterparties, and where possible, assisted Silver supplying counterparties in building due diligence capacities

Teck is compliant and has enhanced communication with supply counterparties, promoted Teck’s Responsible Mineral Sourcing Policy, the LBMA Responsible Silver program, and emphasized the need for enhanced transparency in supply source including expectation to provide supplier and source information. Revised and new contracts for feed sources place a contractual requirement for policy compliance. In 2022, Teck worked with concentrate trading companies to better understand their due diligence programs and supply chains. Teck has elected to promote the requirement for responsible sourcing to all silver sources regardless of source class and continues to communicate the importance of supply chain due diligence to these sources.

Establish a confidential grievance mechanism

Teck has an established program called ‘Doing What’s Right’ that allows any employee or external stakeholder to anonymously voice concerns or grievances over the supply chain or any newly identified risk via a toll-free hotline or secure website. No grievances relevant to Teck’s silver supply chain were received in 2022.

Step 2: Identify and assess risks in the supply chain

Teck Metals is compliant with Step 2 of the Responsible Silver Guidance.

Identify risks in the supply chain

Teck employs a risk identification process that tracks supplier and mineral origin information, identifies risks, assesses risk and due diligence activities. For locations of mineral origins and transit routes,

conflict-affected and high-risk areas (CAHRAs) are identified utilizing several globally published indicator reports. Locations and sub-regions are rated in several categories and potential CAHRAs or red flags are identified.

Information on suppliers is obtained to identify any areas of concern related to supplier company entities. If a potential risk is identified, additional action is undertaken which may include conversations with suppliers, investigative studies, and site visits. In some cases, obtaining supplier information forms in a timely manner directly from suppliers can be challenging and Teck is able to obtain necessary information on suppliers from alternate sources to complete risk assessments. Risk assessments are completed throughout the year and the Responsible Sourcing Management Team meets throughout the year to review risk assessments.

Teck engages several trading companies to source concentrates, and we work to understand their due diligence processes and responsible sourcing programs, and in some cases incorporate their due diligence efforts into our assessments. Teck has enhanced our program to include mine operation size considerations in our risk assessment process. Teck recognizes the value in comprehensive evidence-based risk assessments and have updated our program and seek additional criteria for potential high-risk suppliers.

When potential unacceptable risks are identified, further action is undertaken to understand if risks are present in the supply chain. Actions may include further dialogue with supply chain counterparties (miners or traders), on-the-ground assessments, and targeted investigative studies to understand the level of risk present in the supply chain.

In 2022, two source countries/regions were identified in the supply chain to have CAHRA risks based on indicator reports. One source region was previously investigated via an on-the-ground assessment and no risks were found to be present in the supply chain. We continue to enhance our due diligence for this region and work with suppliers and traders to also understand their due diligence activities and will plan for future one-the-ground assessments in 2023/2024. For the second source country, the COVID-19 pandemic has prevented on-the-ground assessments due to travel restrictions. To investigate identified risks, Teck commissioned third-party investigative reports which further confirmed the possibility of risks in the specific source regions. Teck held conversations with suppliers to further understand their level of due diligence and security within the supply chain, as well as sourcing investigative reports. Teck received satisfactory information regarding risk mitigation efforts from one supplier. However, a second supplier could not provide additional information on mitigation efforts in a timely manner and has been suspended from future transactions until satisfactory risk mitigation information has been provided.

Our previous assessment observed that our program's site visit criteria was not formally established. Teck diligently worked on developing formal site visit criteria to define planning, scope, frequency, and competencies and created a comprehensive site assessment template which will be utilized for all site visits.

Assessing risks in light of the standards of the due diligence system

All silver sources are identified, risk assessed, and sources with higher CAHRA statuses are deemed to have a potential High Risk and are subjected to enhanced due diligence to further understand potential risks. A Mineral Source Risk Assessment Form is completed to summarize the risk assessment conclusions for potential high risk or red flag sources. Risk assessments of the silver supply chain are

conducted by the Responsible Sourcing Management Team and reviewed by the Compliance Officer. Teck monitors suppliers with the appropriate scrutiny on a continuous basis.

The Responsible Sourcing Management Team, which includes senior management, meets throughout the course of the year to assess risks, new suppliers, ongoing due diligence activities, and program status. Annually the Responsible Silver Compliance Officer reviews the Silver Source Risk Assessment with the Senior Management Team responsible for the program including the Teck VP Risk and Security who oversees the implementation of the program.

Step 3: Design and implement a management system to respond to identified risks

Teck Metals is compliant with Step 3 of the Responsible Silver Guidance

Devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk

Teck has a risk management strategy which includes identification and evaluation of identified risks. When potential high risks have been identified, Teck continues further investigation into the source areas and companies. For Annex II risks other than serious human rights abuses or support to non-state armed groups Teck may continue to receive feeds while mitigation efforts take place, or temporarily suspend the source while mitigation efforts are pursued. For serious human rights abuses or support to non-state armed groups Teck will immediately suspend and may implement a risk mitigation plan before resuming trade or disengage from the source completely.

Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management

Teck has not identified any high-risk counterparties that required a risk mitigation strategy for the reporting period ending December 31, 2022. However, Teck has suspended a supplier source from any further transactions until more information is provided to Teck to support our risk assessment process. Teck does maintain a formal Corporate Risk and Security group that monitors global geopolitical changes and actively reviews risk on an immediate and ongoing basis. Our responsible sourcing program reviews, identifies, and updates risks continually and as needed in the case of new feed opportunities or as emerging risks warrant.

Step 4: Arrange for an independent third-party audit of the supply chain due diligence

Teck Metals is compliant with Step 4 of the Responsible Silver Guidance

Teck is compliant and has retained the services of a LBMA authorized third party audit firm to provide a limited assurance statement regarding the claims of this report and assurance of the associated Countries of Origin of Silver Report. The third-party assurance statement is located publicly at <https://www.teck.com/products/othermetals/>.

Step 5: Report on supply chain due diligence

Teck Metals is compliant with Step 5 of the Responsible Silver Guidance



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Teck produces the Teck Refiner Compliance Report annually to report on silver supply chain due diligence. It is located publicly at <https://www.teck.com/products/othermetals/>.

PART C: MANAGEMENT CONCLUSION

Is the Refiner in compliance with the requirements of the LBMA Responsible Silver Guidance for the reporting period?

Teck Metals is compliant with the requirements of the LBMA Responsible Silver Guidance for the reporting period January 1 to December 31, 2022.

In 2022, Teck continued promoting responsible sourcing to Teck's counterparties, risk assessed using independent public indicators and gathering additional information on higher risk countries/areas. Teck strengthened its relationships with supply chain counterparties by engaging them to better understand their due diligence programs.

Teck is committed to ensuring it meets its social responsibilities and regulatory requirements and will continue to review and update its internal controls on an ongoing basis. This includes continuing the implementation of ongoing program improvement initiatives and industry best practices.

PART D: OTHER REPORT COMMENTS

If users of this report wish to provide any feedback to Teck with respect to this report, they can contact the Teck Compliance Coordinator at E-mail: anti.corruption@teck.com. or Director, Zinc & Lead Concentrate Marketing - Concentrates at marketing.sales@teck.com