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**Teck Sustainability Review Investors' Conference Call**  
**Don Lindsay, Marcia Smith, Fraser Phillips**  
**June 3, 2020**

Readers are directed to review and refer to the slides titled "Caution Regarding Forward-Looking Statements" in the related Sustainability Investors' Conference Call presentation dated June 3, 2020, which can be found on Teck's website at: <https://www.teck.com/investors/presentations-webcasts/teck-s-2019-sustainability-review-investors-conference-call>

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**Fraser Phillips, Senior Vice President, Investor Relations & Strategic Analysis:**

- Good morning everyone and thank you for joining us for Teck's sixth annual discussion of our sustainability performance.
- I am Fraser Phillips, Senior Vice President of Investor Relations and Strategic Analysis with Teck.
- I'm joined today by our President and CEO, Don Lindsay, and Senior Vice President, Sustainability and External Affairs, Marcia Smith.
- And we also have a number of other members of the Teck team on the line.
- We are looking forward to discussing Teck's approach to ESG and performance.
- Before we start, I'd like to draw your attention to the "Caution Regarding Forward-Looking Information" on Slides 2 and 3.
- This presentation contains forward-looking statements regarding our business.
- However, various risks and uncertainties may cause actual results to vary. Teck does not assume the obligation to update any forward-looking statement.
- With that, I'd like to turn the meeting over to Don Lindsay.

**Don Lindsay, President and CEO:**

- Thanks Fraser and good morning everyone. We have a lot to cover on this call and I wanted to start by outlining our response to COVID-19 and current business priorities.

- We will provide a brief update on our new sustainability strategy with ambitious short-term goals to 2025 and long-term goals to 2040 and beyond.
- And then we will transition to a deeper dive on five key sustainability topics.
- We'll begin with an update on health and safety because, at Teck, nothing is more important than the health and the safety of our employees and contractors.
- Looking at our recent health and safety performance, we saw an improvement in safety metrics year over year.
- And importantly we have been able to reduce the rate of High-Potential incidents by 31% - almost one third - over four years.
- Despite our progress in safety, we were saddened to report a fatality at the Quebrada Blanca Phase 2 project in 2019.
- An in-depth investigation was completed, with preventative measures implemented, and we are sharing lessons learned across our company and our industry.
- COVID-19 is clearly the most pressing health and safety issue facing Teck and the world.
- We have a comprehensive approach to managing the risks and impacts of the pandemic based around five pillars: prevention, employee support, aid for communities and public health organizations, business continuity, and communication.
- All of our Teck-managed mines continue to operate and we've implemented comprehensive preventative measures at our operations in line with guidance from health authorities. These include:
  - Enhanced cleaning and disinfecting protocols;
  - Eliminating group meetings and requiring physical distancing;
  - Staggering shift start times to support distancing;
  - Ensuring adequate supplies of PPE including masks;
  - And promoting measures like frequent handwashing.
- Our people and our unions are working extremely hard to ensure these measures are being diligently implemented.
- In fact, at just our steelmaking coal operations, we've conducted over 28,000 assurance checks and achieved an impressive 98% compliance rate.
- We have maintained wages for employees whose work hours have been reduced because of COVID-19 measures.

- And we are providing employees and their families with additional support, including access to specialized health resources and mental health support services.
- Lastly, I want to take a moment to recognize and thank all the frontline workers.
- These men and women are ensuring our communities are safe and have the services and supplies they need.
- In addition to our strong focus on our people and on their health and safety, we have also taken steps to ensure the resiliency of our business through this period.
- We are well positioned to weather the effects of this pandemic, supported by our strong financial position.
- We have around C\$5.8 billion of liquidity as of April 20th.
- Our US\$4 billion revolving credit facility is committed through Q4 2024.
  - It does not have a cash-flow based financial covenant,
  - Does not include a credit rating trigger,
  - And does not include a general material adverse effect borrowing condition.
- We have no significant debt maturities prior to 2035, and we have investment grade credit ratings from all four credit rating agencies.
- And for our QB2 project, we have a prudent funding and financing plan in place.
- The US\$2.5 billion project finance facility and the QB2 partnering transaction dramatically reduce our funding requirements for the project.
- And there are no contributions to project capital expected from Teck until mid-2021.
- As we work to maintain business continuity and the health and safety of our workforce, we are also working to support communities.
- We have created a \$20-million dollar COVID-19 response fund for communities, which includes:
  - Procuring and donating essential medical supplies, such as one million KN95 masks for healthcare providers;
  - Supporting local health and social services affected by COVID-19;
  - And contributing to relief efforts.
- That work builds on our well-established approach to local and global community priorities.
- For example, our support for healthcare aligns with our Copper & Health program.
- We established Copper & Health several years ago to increase the use of antimicrobial copper to reduce the spread of healthcare-acquired infections.

- Copper has unique antimicrobial properties and is proven to continuously kill bacteria that cause infection. When installed on high touch surfaces, copper will eliminate up to 99.9% of harmful bacteria.
- As a major copper producer, we believe we can play an important role in educating people about the use of copper to reduce the spread of infections like COVID-19.
- We are also supporting international relief and regional organizations to protect food security.
- This aligns with our Zinc & Health program, launched nearly a decade ago, where we are working with the United Nations World Food Programme to improve crop yields and strengthen food security.
- Finally, we know some of the people who have been impacted the most by COVID-19 are women and other vulnerable groups.
- That's why we're working with UN Women and other organizations to support economic empowerment and provide educational opportunities.
- The extra steps we are taking today to respond to the many social challenges posed by COVID-19 are rooted in years of working to improve the lives and wellbeing of people in our communities and around the world.
- Our approach to sustainability is core to the success of our business. Strong sustainability practices are an essential part of our strategy for responsibly advancing projects, avoiding disruptions at operations, and attracting the best people.
- We also know that investors are increasingly valuing a company's sustainability performance in managing risk and supporting growth.
- It is our goal to be the leading diversified mining company when it comes to sustainability and ESG.
- And I'm proud to say our efforts on sustainability have been recognized by a number of organizations:
  - In 2019, Teck was named to the Dow Jones Sustainability World Index for the 10th consecutive year and we were the top ranked mining company on the index.
  - We are also highly ranked on MSCI and Sustainalytics in comparison to our peers.
  - And we have been recognized as a strong performer by ISS, Vigeo Eiris, FTSE4Good and the Bloomberg Gender Equality Index.
  - We are also the only mining company on the Global 100 Most Sustainable Corporations list.
- While we are proud of our performance, we do know there is more work to be done.
- Our work in sustainability aligns with leading external standards.

- And through our memberships, for example, with International Council on Mining and Metals, we conduct third-party verification of the sustainability practices at our operations.
- We also participate in global organizations that drive sustainability leadership.
- We have been producing GRI sustainability reports for the past 19 years and we released for the first time an index aligned with the Sustainability Accounting Standards Board, or SASB, Standards this year.
- On climate change, we are members of the Carbon Pricing Leadership Coalition and we are currently preparing our third report under the Task Force on Climate-Related Financial Disclosure, known as TCFD.
- In this next section, I want to provide an overview of our approach to business, which directly linked to our sustainability strategy and performance.
- Starting with copper, which is a critical metal for enabling the transition to a low-carbon economy.
- Our copper growth strategy will see us re-balance our portfolio to make copper equal to or greater than our steelmaking coal business.
- And as one of the lowest-carbon producers of copper, we're well positioned for the ongoing electrification and decarbonization of the economy.
- We have a stable platform of production with Highland Valley Copper mine in British Columbia, Carmen de Andacollo mine in Chile, and through our joint-venture interest in Antamina in Peru.
- And we have growth opportunities as far as the eye can see starting with Quebrada Blanca Phase 2, our long-life, low-cost Chilean operation currently in the construction phase, although construction is currently suspended due to COVID-19.
- Aligned with the transition to a low-carbon economy, and as part of our commitment to be a net zero carbon company by 2050, we are working to source 50% of our electricity demands in Chile from clean energy by 2025 and 100% by 2030.
- Moving now to our steelmaking coal business.
- We have strong long-term cash flow from our four long-life, high-quality steelmaking coal mines...
- That have more than 30 years of reserves and over 100 years of resources.
- Our steelmaking coal operations have consistently delivered higher operating margins than many other major steelmaking coal exporters.
- As you know, steelmaking coal is a critical component in the production of steel, which is needed for everything from hospitals to clean power.

- And we are amongst the lowest-carbon intensity producers for steelmaking coal in the world, positioning us well for the transition to a low-carbon economy.
- We also have a strong focus on managing water quality at our steelmaking coal operations, which Marcia will speak to in more detail later in the presentation.
- Turning now to our zinc business unit. Zinc enhances the durability of steel and is an essential micronutrient for human health.
- Teck has a world-class zinc business, with our flagship Red Dog mine – one of the largest high-grade zinc producers in the world.
- We operate Red Dog under an innovative operating agreement with the land-owner NANA, a Regional Alaska Native corporation owned by the Iñupiat people of northwest Alaska.
- And the operation is firmly located near the bottom of the industry cost curve year after year.
- And turning to our Energy business...
- We have a 21.3% interest in the Fort Hills oil sands operation, which has amongst the lowest carbon-intensity oil production in the oil sands; lower than half the oil refined in the US today.
- It features proven technology and has an experienced operator with Suncor.
- We have been very clear though that if we can't see value for Fort Hills reflected in our share price, we will not hesitate to pursue other options for realizing value, including divestment at the appropriate time.
- How does this all fit together? Well our strategy is very straightforward.
- We are implementing a copper growth strategy that is financed by the cash flows from our steelmaking coal and zinc businesses.
- We are focused on rebalancing our portfolio to ultimately make our copper business larger than our steelmaking coal business...
- Beginning with building QB2 in Chile, which will double our copper production on a consolidated basis.
- Rebalancing our business towards copper aligns with the shift to a low-carbon economy, which is a global sustainability priority for all businesses and governments.
- As we advance this strategy, sustainability will remain at the forefront of everything we do with our ambitious, new sustainability goals guiding us along on the path ahead.
- With that said, I will now hand the call to Marcia Smith.

**Marcia Smith, Senior Vice President, Sustainability & External Affairs**

- Thanks Don. I am going to cover a few key ESG and sustainability topics and then we will open it up for questions.
- Teck has had a comprehensive sustainability strategy in place for a nearly a decade.
- We updated the strategy, first in 2015, and we released the second update a few months ago in early March 2020.
- In this most recent update, we set ambitious goals in eight strategic themes from health and safety to biodiversity to climate change.
- Each theme has long-term objectives with short-term milestone goals to guide our progress.
- Starting with climate action.
- We know that we have a responsibility to help tackle the global challenge of climate change.
- And we do this by working to reduce emissions at our operations ...
- Advocating for policies that support the transition to a low-carbon economy... and,
- By responsibly producing materials that are essential to building the technologies and infrastructure needed to reduce emissions globally.
- The carbon intensity of our operations is already very low within our industry.
- As shown in the graph here on the slide, the intensity of our scope 1 and scope 2 GHG emissions on a copper equivalent basis is amongst the lowest in the industry.
- Further, the majority of our business is already covered by carbon pricing. So, unlike many of our peers, the cost of carbon is already factored into our cost structure.
- Earlier this year, we set the goal of being carbon neutral across all operations and activities by 2050.
- This commitment demonstrates our support for the transition to a low-carbon economy and worldwide efforts to meet the goal of the Paris Agreement to limit global temperature increase.
- It also aligns with commitments made by our primary operating jurisdictions of Canada and Chile to be carbon neutral by 2050.
- Underpinning this objective are three short-term goals.
- First: to reduce the carbon intensity of our operations by 33% by 2030.

- Second: to procure 50% of our electricity demands in Chile from clean energy by 2025 and 100% by 2030.
- And third: to accelerate the adoption of zero-emissions alternatives for transportation by displacing the equivalent of one thousand internal combustion engine vehicles by 2025.
- We have set out a roadmap of how we will reduce carbon intensity and ultimately achieve our long-term objective of carbon neutrality.
- It first starts with a solid understanding of our current and future emission sources and then we apply a mitigation framework.
- This framework has four steps:
  - First, avoiding emissions altogether where possible
  - Second, eliminating emissions through the use of alternatives – such as solar instead of coal power
  - Third, minimizing emissions
  - And fourth, using carbon offsets if needed
- We know that our two most significant emission sources are from power supply and from our mobile equipment fleets, such as haul trucks.
- We have prioritized those sources in our short-term goals, and are deploying proven, cost-effective technologies to make progress now.
- This includes:
  - Increasing procurement of electricity for operations from clean energy sources. Earlier this year, we announced a major purchase agreement for our QB2 project in Chile that will source renewable energy for approximately half the power required for that operation.
  - And we are replacing internal combustion engine vehicles with zero-emissions alternatives, with a focus on electric transportation and alternatives for material handling.
- And as you can see on the slide, as we move forward, we will evaluate and implement options to address other sources of emissions.
  - For example, we are considering lower emission alternatives for stationary combustion processes, such as in steelmaking coal dryers.
  - And we're assessing the potential for using emerging technologies such as carbon capture and storage.



- At each stage we are looking at what cost-effective technologies are available and proven now that we can begin implementing...
- While at the same time, monitoring earlier stage technologies as they mature towards commercial viability.
- An area of active technology development is the Cleaner, Safer Vehicles Initiative being advanced through the International Council on Mining and Metals.
- 27 of the world's leading mining companies, including Teck, and mining equipment manufacturers, are collaborating to develop a new generation of mining vehicles with a significantly reduced environmental footprint, including:
  - Lower greenhouse gas emissions
  - Reduced diesel particulate release
  - And, decreased chance of collisions
- Turning now to water stewardship.
- We have been and will be continue to be focused on innovative water management and water treatment solutions to protect water quality...
- And we continue to focus on transitioning to seawater or low-quality water sources in water-scarce regions.
- For example, this means using desalinated seawater for our QB2 project, which is located in one of the driest places in the world.
- One of our key priorities is managing water quality at our steelmaking coal operations in the Elk Valley of British Columbia.
- We've discussed this topic before on this call and I'm pleased to say that we're making good progress.
- To address the challenge, Teck worked in partnership with governments, Indigenous Peoples, and surrounding communities to develop the Elk Valley Water Quality Plan, which was approved by our provincial regulator.
- We're advancing a range of innovative technologies to achieve the objectives of the Plan.
- As part of that work, we developed a new form of water treatment called Saturated Rock Fill, which can help achieve water quality objectives more quickly and at lower cost.

- Saturated Rock Fills, or SRFs, use naturally-occurring biological processes to remove selenium and nitrate from mine affected water.
- The first full scale SRF is successfully treating up to 10 million litres per day and achieving near-complete removal of selenium and nitrate.
- We are currently building the second phase of this SRF, which will double water treatment capacity to 20 million litres per day.
- We also have one tank-based facility operating successfully, and we're currently constructing a second larger facility at our Fording River Operations.
- Moving forward, we are planning for all future water treatment facilities to be SRFs.
- We have a major R&D program underway to continue, for example, improving our options for source control.
- This includes advancing our work to reduce nitrate at the source through the use of explosive product liners, pictured here on the slide.
- Moving now to Slide 24.
- As you can see in this chart, we have a clear path forward for implementing the Elk Valley Water Quality Plan and improving water quality.
- As disclosed in our Q4 2019 results press release, we anticipate spending CAD \$640 to \$690 million from 2020 through 2024 on water treatment in the Elk Valley.
- This will see total treatment capacity increase significantly to 120 million litres of water per day.
- And it will ultimately ensure that the watershed is protected, and that we can continue to sustainably operate our mines in that region.
- Shifting now to tailings management.
- The safe management of tailings dams and facilities is of critical importance for our company and our industry, especially in light of the tragic incidents at both Brumadinho and Samarco.
- Teck manages 16 active tailings facilities, and 39 tailings facilities that are closed and no longer receiving tailings.
- We have comprehensive systems and procedures to ensure the safety of our facilities, organized around six levels of protection, as outlined on the slide.

- Our tailings facilities are operated and maintained to meet global best practices for safety, including industry-leading protocols established by the Towards Sustainable Mining program or TSM, and the Canadian Dam Association.
- Facilities also have full emergency preparedness plans in place, which are reviewed with local stakeholders.
- The most recent annual Dam Safety Inspections for our facilities, which are available on our website, confirm that they are stable and secure, and that our monitoring and surveillance practices are robust.
- Many on the call will be aware that last year the Church of England Pension Board and Swedish Council on Ethics sought additional disclosure on tailings and you will also find that detail on our website.
- In 2019, we undertook a special review of Teck's tailings and water retention structures following the Brumadinho incident.
- The review was conducted by independent external experts, who provided their report to the Safety & Sustainability Committee of the Board.
- They confirmed that there are no immediate or emerging threats of catastrophic failures within our tailings and water dams.
- Nevertheless, we are focused on maintaining our management practices and ensuring our facilities meet the highest standards for safety.
- Finally, planning is underway to fully implement the new Global Tailings Standard being advanced by the Principles for Responsible Investment, the UN Environment Programme, and ICMM, once finalized and released.
- Moving now to our next topic on Slide 26.
- In today's increasingly complex operating environment, success relies on developing positive long-term relationships with communities.
- This begins with acknowledging and respecting the human and Indigenous rights of the people we interact with.
- In 2019, we had no significant human-rights related community incidents.
- And last month, we released our updated Human Rights Policy, which emphasizes our commitment to the UN Guiding Principles.
- Most of our operations and the majority of our development projects are located within, or immediately adjacent to Indigenous Peoples territories.
- And accordingly, we have formal agreements in place with Indigenous Peoples at all mining operations.

- We believe that agreements form a framework for relationships, build a foundation for cooperation, and support ongoing engagement.
- Indigenous and community support for our activity is also contingent upon sharing economic benefits.
- That is why we are focused on local employment and procurement. In 2019, we spent \$225 million on procurement with Indigenous businesses.
- 72% of our workforce was local and 36% of our procurement was from local suppliers.
- I want to spend a moment talking about inclusion and diversity.
- This is an issue that is very much at the top of our minds right now with recent events that have shocked and saddened us.
- And it's clear that as a society, we need to do more to combat racism and keep each other safe.
- At Teck, we recognize that all employees have a right to work in an environment that supports diversity and is free from discrimination and harassment.
- That is why we have a strong Inclusion and Diversity Policy, and we work to actively implement our Global Harassment Policy and our Code of Ethics...
- We also recognize that the world is evolving in light of COVID-19 and while we have a number of family-friendly policies and programs in place, we are working towards an expanded remote work policy to further enhance workplace flexibility.
- On gender diversity, we've implemented programs to attract and retain a greater number of women at Teck, and we are seeing progress.
- In 2019, women comprised 32% of new hires at Teck – about one-third of all new hires.
- 25% of Independent directors on our Board are women, including our Board Chair.
- And women now make up 20% of our total workforce, up from 14% just five years ago.
- We have put in place a range of projects and programs to promote inclusion and diversity across our company.
- And finally, we ensure that no matter the topic or concern, employees can raise them, in strict confidence, at any time through our *24/7 Doing What's Right* hotline.
- Accountability for sustainability performance is embedded throughout our company.
- Our compensation program is directly linked to sustainability performance through individual, department and company-wide objectives.

- At a minimum, performance against sustainability-related objectives affects at least 10-20% of an individual's annual bonus. And business units also have a sustainability metric built into their bonus structure.
- As you would expect, executive compensation, including my compensation and Don's and our business unit leaders compensation, is also closely linked to sustainability, in particular with:
  - The safety and well-being of our people;
  - Our relationships with communities where we operate;
  - Our use of energy and carbon intensity;
  - And environmental impacts.
- Our sustainability performance is tracked on an annual basis, especially as it relates to our sustainability goals, and reported in our Management Proxy Circular and Sustainability Report.
- For more detail on our sustainability performance, we have a range of ESG resources available for investors.
- On our website you can find our annual financial and sustainability reports, our TCFD-aligned report, and more.
- All of our sustainability data is available and as well as our new SASB index.
- We also provide links to our CDP and UN Global Compact reports.
- All of these resources are available on our online Disclosure Portal, which is updated throughout the year with new data as it becomes available.
- And when it comes to sustainability, we are focused on continuing to improve our social and environmental performance as a key element of our business and long-term value creation strategy.
- This will mean a safer and more diverse workforce. It will mean less carbon emissions and a reduced environmental footprint.
- And it will mean even stronger relationships with communities and Indigenous Peoples.
- With that, we would be happy to answer your questions.