

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 sites and projects. 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 strategy is focused on accelerating growth in copper, maximizing cash flows from operations to fund copper growth, strengthening our existing high-quality assets through RACE21™, 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.

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.

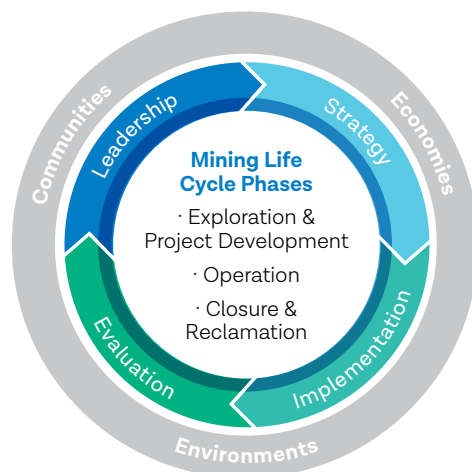
Sustainability During the Mining Life Cycle

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

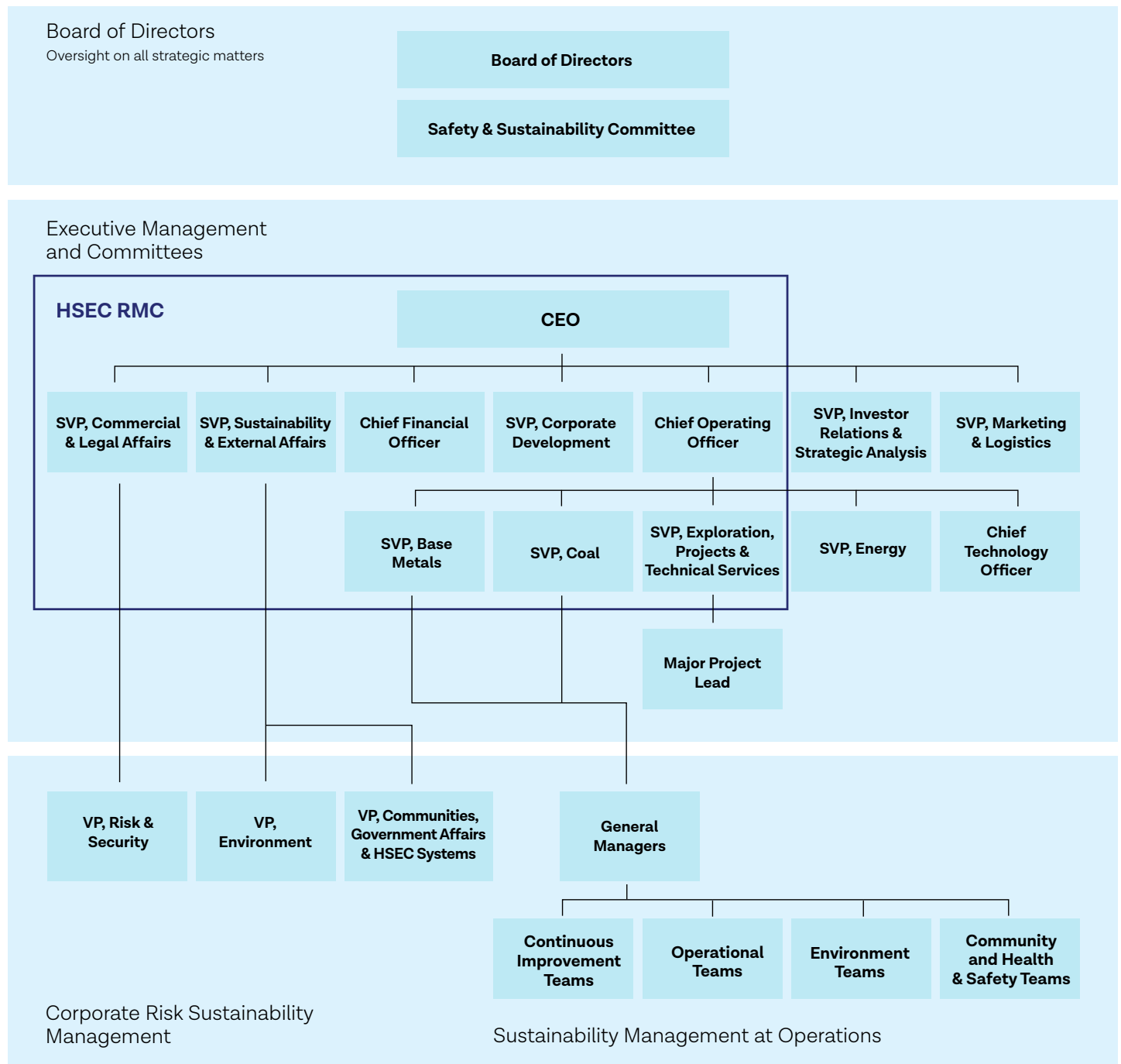
Our Board of Directors is responsible for the stewardship of our company and ensures that appropriate corporate governance structures and systems are in place. Our key governance practices are overseen by the Corporate Governance and Nominating Committee of the Board and are described in detail in our [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. As with each Board committee, the effectiveness of the

performance of the Safety and Sustainability Committee is evaluated on an annual basis in a process overseen by the Corporate Governance and Nominating Committee.

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

Sustainability Governance Structure



In addition to a corporate feedback mechanism, feedback mechanisms have been implemented at all of our operations and significant projects. Issues or new risks identified through feedback mechanisms are brought to the attention of the Safety and Sustainability Committee of our Board of Directors, as well as the HSEC Risk Management Committee. Feedback is rated on a scale of seriousness and critical concerns are flagged.

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. 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. See our [Management Proxy Circular](#) for further information.

Executive Sustainability Management Committees

As summarized in the figure below, 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 CEO and is the main senior executive responsible for sustainability, health and safety, environment, community relations, and Indigenous affairs, 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 HSEC Management Standards 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.

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, reduce long-term costs associated with major risks and 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, Employees, Water, Tailings Management, Communities and Indigenous Peoples, and Biodiversity and Reclamation. 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. Corporate, site and employee objective-setting and evaluation processes are updated to reflect the broader performance objectives set out in our strategy to align priorities at all levels of the company. 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 [topic-specific policy documents](#) on our website. Our [Code of Sustainable Conduct](#) emphasizes our overall commitment to sustainability.

External Commitments

We take into consideration 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 described here:

International Council on Mining and Metals (ICMM):

ICMM is 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

Mining Association of Canada (MAC)—Towards Sustainable Mining (TSM): MAC 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.

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

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, contributing 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.

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

Sustainability Governance

Our approach to implementing 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.

Our compensation program for employees is linked to health and safety and to sustainability 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 (HSEC topics), 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](#).

Mining Life Cycle Risks

Phases of Mining Life Cycle	Major Risks
Exploration, Project Development and Mining	<ul style="list-style-type: none"> 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
Sales and Transportation	<ul style="list-style-type: none"> Trade regulations, customer environmental management, supply and demand fluctuations, product substitution, and risks to transportation infrastructure and services
Closure and Reclamation	<ul style="list-style-type: none"> Environmental legacies and liabilities, changing regulatory standards, and support from communities and Indigenous Peoples

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.

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

- Health, safety, environment and social risk assessments
- Indigenous and stakeholder consultation and engagement
- 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 protecting 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.

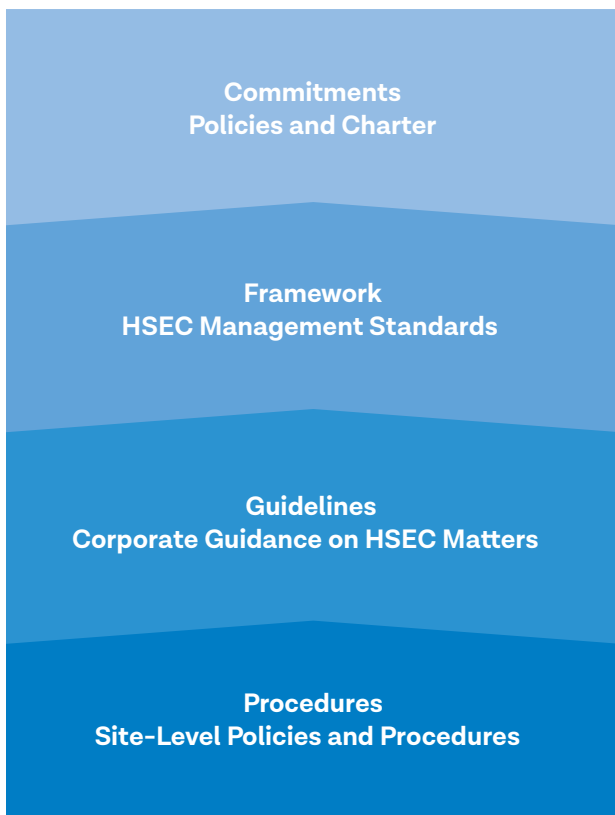
Integrating Sustainability into Project Development

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 Health, Safety, Environment and Community (HSEC) Management Standards outline the framework for the identification and effective management of HSEC risks and opportunities and define a process for continual improvement. They also provide context for overarching corporate policies and guidelines, and site-level policies and procedures. The HSEC Management Standards apply to current and closed properties, and to activities including waste management, engineering/maintenance, selection of suppliers and contractors, development of new products and services, product distribution, new

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

projects, exploration, and due diligence of mergers and acquisitions. In addition to the HSEC Management Standards, eight of our nine active operations¹ 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.

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

¹ Includes Highland Valley Copper, Red Dog, Trail, Carmen de Andacollo 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 and Fort Hills.



Cardinal River Operations, Canada, 2013.

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.

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.

Teck's Head of Teck Digital Systems is accountable for the effectiveness of information technology at Teck and the cybersecurity of our systems. 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 utilizing more digital technologies, our tactics for managing risks will evolve alongside the changing environment.

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.

In early 2020, due to the COVID-19 pandemic, much of our corporate workforce transitioned to working remotely. This shift presents new risks to data security and privacy. We anticipate that, where possible, remote work will be more common for our workforce in the future. To manage these new risks, we have implemented additional cybersecurity controls to assist in monitoring and securing remote work at scale.

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

Teck adopts and adapts several of the leading approaches to cybersecurity including CMMI, Canadian Centre for Cyber Security, ISA Cybersecurity, the FAIR Institute and the National Institute of Standards and Technology (NIST) to inform their approach.

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

Evaluation of Sustainability

On an ongoing basis, our management team provides guidance on changing context and expectations, and we periodically update our policies, management standards and management systems. On an annual basis, individual and company objectives for sustainability are evaluated, and we update our business plans to reflect any changes in the past year. 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 of HSEC Management

Type	What is reviewed?	For whom?	Evaluation criteria
Internal			
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	Legal obligations, 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 significant risks		Internal standards
ISO 14001 internal audits	Components of the environmental management system at selected sites	Site Management	ISO 14001 Environmental Management System Standard
External			
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	International Council on Mining and Metals (ICMM)	ICMM Performance Expectations
The Copper Mark Certification	The 32 Risk Readiness Assessment (RRA) Issue Areas	The Copper Mark	Risk Readiness Assessment (RRA)
ISO 50001 certification	Components of the energy management system at selected sites	International Organization for Standardization (ISO)	ISO 50001 Energy Management System Standard

Internal and External Assurance

Our Health, Safety, Environment and Communities (HSEC) assurance program is designed to verify 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. We also conduct external verification of regulatory or external commitments. The table below provides an overview of the types of audits and evaluations that are conducted across our operations.

Follow-up checks and audits are conducted to evaluate the effectiveness of actions implemented in response to the audits.

Sustainability, Innovation and Technology

Responsible resource development guides our approach to business. Innovation and technology are helping to

improve our environmental and social performance while also making us a safer and more productive company. We focus, for example, on finding better ways to manage water, reduce greenhouse gas emissions, control dust, and improve air quality and energy efficiency, while also saving lives through improved nutrition and healthcare.

RACE21™ is Teck's innovation-driven efficiency program, which builds on our long history of innovation and early adoption to ensure a strong future for our company. RACE21™ 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 RACE21™: 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 RACE21™, such as mining autonomy and load-and-haul analytics, also generate sustainability benefits such as reductions in energy use, water use, and emissions.

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 Stakeholders and Indigenous Peoples

Engagement with our stakeholders—from local communities and Indigenous Peoples to investors, customers and employees—helps to enhance our mutual understanding of interests, concerns and aspirations, and helps to strengthen relationships throughout the mining life cycle. Stakeholders are identified based on the degree to which they are affected by our activities and relationships, as well as by their ability to influence our achievement of our business objectives. In particular, stakeholder identification helps us to ensure we:

- 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 and our Social Management and Responsibility at Teck (SMART) tools, and engagement outcomes 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 communities. Our work in this area is focused on:

- Disclosing and appropriately communicating accurate and timely information
- Maintaining an open dialogue, so all parties can fully understand each other's views and concerns
- Engaging in decision-making around our activities
- Collaborating on issues of mutual interest
- Securing and maintaining our social licence to operate

Those responsible for engagement with local and Indigenous communities 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.