

## Our Approach to Climate Change

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

This document summarizes our approach to managing climate change. 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.

**Climate Change performance information:** See our **Annual Sustainability Report**, available for download on our website. See our **2021 Climate Change Outlook Report**, and our **2021 Carbon Disclosure Project (CDP) Report** for further disclosure.



*Solar Panels, Northern Chile. 2018.*

## Governance and Accountability

### Background

At Teck, we believe that climate change is a key global risk, that it is directly influenced by human activity and that it requires decisive global action. Failure to act will expose the world to climate change impacts that will be costly for global ecosystems and for society as a whole. We believe we have a responsibility to help address this global challenge by reducing emissions at our operations and by sustainably producing the metals, minerals and energy that are essential for building the technologies and infrastructure needed to transition to a low-carbon economy.

### Accountability and Resourcing

At Teck, we understand that investors, lenders and other users of climate-related financial disclosures are interested in understanding the role that our Board plays in overseeing climate-related risks and issues, as well as management's role in assessing and managing those risks and issues. Climate-related risks and issues receive Board and management attention. We consider climate-related issues and risks in strategic planning across our business units. Teck's Board of Directors provides oversight on all strategic matters, including the risks and opportunities related to climate change. The Board has established a Safety and Sustainability Committee (SSC). Through the SSC, the Board reviews and monitors environmental performance, and includes consideration of climate-related issues in corporate-level strategies and capital investment decisions. The Committee meets and reports to the company's Board of Directors quarterly.

The Board as a whole reviews matters related to climate change and participates in education sessions specific to climate change in 2018, 2020 and 2021.

Teck's senior management team is responsible for the management of our company, which includes managing the risks and opportunities that climate change presents to the company. Given the multi-faceted ways in which climate change impacts our business—from impacts on commodity demand, to operating costs, to physical impacts on our operations and on host communities—climate change is considered in varying manners across multiple aspects of our business. Risks and opportunities posed by climate change are discussed among our management team, with recent examples including the review of risks and opportunities of climate change for Teck; the review, discussion and endorsement of Teck's updated climate change goals; and the implications of different climate scenarios on commodity demand.

Teck's Health, Safety, Environment and Community Risk Management Committee (HSEC RMC), chaired by the CEO, consists of corporate officers who establish priorities and direction for environmental programs, including those related to climate change, and who monitor climate-related issues and progress against targets. Climate change is a standing item in HSEC RMC agendas. Teck's climate-related policies and strategies are reviewed and approved by this committee and, as appropriate, by Teck's Board.

Climate-related risks and opportunities are identified using risk management tools internal to Teck, and rely on both internal and external expertise on climate change. These risks and opportunities are then prioritized based on their



Elk Valley, Canada, 2017.

likelihood and severity of impact on our business, and are considered in our overall strategic planning.

For detailed information on Teck's climate change governance structure, as well as roles and responsibilities of directors and senior management, see pages 7–8 of Teck's TCFD-aligned [Climate Change Outlook 2021 Report](#).

## Policies and Standards

Our [Climate Change Policy](#) describes 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. Our [Code of Sustainable Conduct](#) describes our commitment to promote the efficient use of energy and material resources in all aspects of our business, and outlines our support of sustainable development and willingness to accept our obligation to constantly improve our methods of extracting the world's resources to the benefit of our stakeholders. Our HSEC Management

Standards stipulate that all of Teck's major capital projects will include the identification and evaluation of opportunities for improving energy efficiency. Our energy and carbon accounting practices follow the rigorous [Greenhouse Gas Protocol](#) standards from the World Resources Institute, and from the World Business Council for Sustainable Development for calculating emissions. Our strategy for managing the risks and opportunities associated with climate change is outlined in our TCFD-aligned Climate Change Outlook Report, which includes scenario analysis, as well as in our sustainability strategy.

## Memberships, Partnerships and External Commitments

We work with various local, national and international organizations and programs to support climate action:

- **International Council on Mining and Metals (ICMM):** A global industry association that represents leading international mining and metals companies who are required to implement the ICMM 10 Principles, including Principle 6 to pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change
- **Mining Association of Canada (MAC):** Promotes the development of Canada's mining and mineral processing industry; through MAC, we are required to implement the Towards Sustainable Mining program
- **Task Force on Climate-related Financial Disclosures:** Provides a set of reporting guidelines for voluntary, climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers and other stakeholders. Teck has been a formal supporter of TCFD since 2018, and our Climate Change Outlook report is aligned to TCFD recommendations.
- **The Paris Pledge for Action:** Teck is a signatory to the Paris Pledge for Action in support of reducing emissions and achieving the objectives of the Paris Agreement
- **Carbon Pricing Leadership Coalition:** A partnership of national and sub-national governments, businesses and organizations working toward integrating carbon pricing into the global economy
- **Council for Clean Capitalism:** A group of forward-thinking companies working together to ensure sufficient financing and transparency to smooth our transition to a low-carbon economy
- **Canada's Oil Sands Innovation Alliance (COSIA):** An alliance of oil sands producers focused on accelerating improvement in environmental performance in Canada's oil sands through collaborative action and innovation
- **BC Climate Solutions Council:** This council—which includes members from Indigenous communities, environmental organizations, industry, academia, labour and local government—provides strategic advice to the British Columbia government on climate action and clean economic growth
- **Carbon Disclosure Project (CDP):** We annually report our global greenhouse gas (GHG) emissions data to the CDP, an independent not-for-profit organization working to drive GHG emissions reduction by businesses and cities
- **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



## Teck's Climate Change Strategy Framework

Our strategy to contribute to global climate action, to adapt to a low-carbon economy and to continue to responsibly produce the materials essential for society is built around four pillars:

1. Positioning Teck for the low-carbon economy
2. Reducing the carbon footprint of our operations and our value chain
3. Support for appropriate carbon pricing policies
4. Adapting to physical impacts

### Positioning Teck for the Low-carbon Economy

We produce metals and minerals that are required for the transition to a low-carbon economy. Our diversified mix of products and our focus on efficient, low-cost and low-carbon operations will ensure Teck remains competitive throughout the shift to a low-carbon economy. Our 2021 Climate Change Outlook Report provides analyses of three IEA scenarios: Stated Policies, Sustainable Development and Net-Zero 2050, including the potential impacts of each scenario on demand for our products.

### Reducing the Carbon Footprint of Our Operations and Our Value Chain

While our operations are well positioned compared to our competitors in terms of our carbon intensity, we know that we must continue to reduce our emissions in order to maintain our leadership position and to reduce our future cost exposure to increasing carbon taxes and other climate-related risks.

We have set a long-term target to be carbon neutral by 2050, with a 2030 target of reducing the carbon intensity of our operations by 33% from a 2020 baseline. We are also committed to work with our customers and transportation providers to reduce emissions downstream from our business. See Teck's Climate Change Outlook Report for more information on our pathway to net-zero emissions.

### Support for Appropriate Carbon Pricing Policies

We believe that action must be taken across all areas of society and the economy to combat climate change, and that broad-based, effective carbon pricing can play a vital role in reducing GHG emissions. Teck has partnered with several organizations worldwide to work together on the challenge of climate change. For example, Teck is a signatory to the The Paris Pledge for Action, which supports reducing emissions and achieving the objectives of the Paris Agreement. Teck also plays a key leadership role in, and was the first Canadian resource company to join, the Carbon Pricing Leadership Coalition, a partnership of national and sub-national governments, businesses and organizations working towards integrating carbon pricing into the global economy. See Teck's Climate Change Outlook report for more information.

### Adapting to Physical Impacts

We are adapting to the physical impacts of climate change and increasing the resilience of our operations by incorporating climate scenarios into project design and mine closure planning.

The severity of the physical impacts of climate change on our operations will differ based on the pace and degree to which the world decarbonizes and on the different impacts dictated by geography. If international action is taken to limit climate change to 1.5°C, the management actions required are more likely to be aligned with our current adaptive management practices. The more the climate changes, the greater the likelihood that more significant and costly interventions will be required. Understanding these risks allows us to proactively plan to manage them, and can help us to reduce risk. See Teck's Climate Change Outlook report for more information.

### Our Targets and Commitments

Our sustainability strategy outlines our goals in relation to continuously improving our energy use and emissions at our operations.

#### Strategic Priority:

- Be a carbon-neutral operator by 2050

#### Goals:

- Reduce the carbon intensity of our operations by 33% by 2030
- Procure 50% of our electricity demands in Chile from clean energy by 2025 and 100% by 2030
- Accelerate the adoption of zero-emissions alternatives for transportation by displacing the equivalent of 1,000 internal combustion engine (ICE) vehicles by 2025

For more information on our sustainability strategy goals, see the [Sustainability Strategy](#) section of our website.

We report on our performance against indicators and goals related to climate action on an annual basis in our [Sustainability Report](#). Also see our [Climate Change Outlook 2021 Report](#) for more information on our climate change strategy, how we analyze climate-related risks and opportunities, and analyses of various climate scenarios and their implications for Teck.

### Assurance Related to Climate Change

At Teck, we conduct four types of assurance. This includes audits of operations and business units; corporate annual HSEC assurance and mid-year effective checks conducted by Teck's HSEC Assurance team; corporate annual internal audits conducted by Teck's Assurance and Advisory team; and external assurance by independent auditors for relevant regulatory and voluntary membership requirements. Following each of these types of assurance, applicable management teams use the results to inform future actions and Teck's five-year planning process.

## Assurance Related to Climate Change

Type	Organization	Items Reviewed
External	Mining Association of Canada: Towards Sustainable Mining assurance	<ul style="list-style-type: none"> <li>• Energy use and GHG emissions management systems</li> <li>• Energy use and GHG emissions reporting systems</li> <li>• Energy use and GHG emissions performance targets</li> </ul>
External	International Council on Mining and Metals: Sustainability Report assurance	<ul style="list-style-type: none"> <li>• Total GHG emissions—direct (scope 1)</li> <li>• Total GHG emissions—indirect (scope 2)</li> <li>• Total GHG emissions—indirect scope 3 (use of sold products)</li> <li>• Principle 6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change</li> </ul>
External	International Council of Mining and Metals: Performance Expectations	<ul style="list-style-type: none"> <li>• PE 6.5: Implement measures to improve energy efficiency and contribute to a low-carbon future, and report the outcomes based on internationally recognized protocols for measuring CO<sub>2</sub>-equivalent GHG emissions.</li> </ul>
External	GHG Regulatory Assurance (B.C. and Alberta)	<ul style="list-style-type: none"> <li>• Verification of GHG data reported and quantification of methodologies</li> </ul>
External	The Copper Mark	<ul style="list-style-type: none"> <li>• Issue area 15—Greenhouse Gas Emissions</li> <li>• Issue area 16—Energy Consumption</li> </ul>
External	ISO 14001 external audits	<ul style="list-style-type: none"> <li>• Components of the environmental management system at each site</li> </ul>
Internal	ISO 14001 internal audits	<ul style="list-style-type: none"> <li>• Components of the environmental management system at each site</li> </ul>
Internal	Risk-based Health, Safety and Environment audits at each site	<ul style="list-style-type: none"> <li>• Adherence to regulatory and permit requirements</li> <li>• Effectiveness of controls based on risk profile</li> </ul>