Domestic and international laws have been established and enhanced to promote stronger business ethics and to increase transparency of payments to governments in order to fight bribery and corruption. Businesses are also experiencing increasing legal requirements associated with anti-corruption and tax transparency — in particular with the Canadian Extractive Sector Transparency Measures Act that came into force in 2017.

There is ongoing public pressure for, and regulation requiring, greater transparency around how companies engage with, lobby or influence governments. As a global industry that operates in a wide range of jurisdictions, including underdeveloped and developing countries, business ethics and anti-corruption are a major focus for the mining industry.

Maintaining open and transparent communications with governments and regulatory parties is essential to mitigating risk and responding to future regulatory changes, and to forming good and transparent relationships with government entities, agents and intermediaries.

We focus on being a collaborative, solutions-based partner with governments in the jurisdictions where we work. We regularly engage with government on regulatory and public policy initiatives primarily focused on maintaining and enhancing the competitiveness of our industry as well as its social, environmental and economic sustainability. In 2018, our public policy engagement focused on advocacy for actions to address climate change, socio-economic initiatives, environmental management and Indigenous Peoples, among other topics.
Our Performance in Business Ethics in 2018

Our Commitments: Our Code of Sustainable Conduct requires employees and contractors to comply with applicable laws and regulations, and with all Teck policies and standards. We are committed to upholding high moral and ethical principles as affirmed in our Code of Ethics. While Teck’s business practices must consider the business and social practices of the communities in which we operate, we believe that honesty is the essential standard of integrity in any locale. Thus, although local customs may vary, Teck’s practices are based on honesty, integrity and respect.

Doing What’s Right Program

Our employees are required to report any violations, or potential violations, of our Code of Ethics through our Doing What’s Right program, which includes a whistle-blower hotline and web portal that are managed by a third party. Through this program, we received 31 reports of alleged violations of our Code of Ethics in 2018. The areas for which we received the greatest number of reports were in relation to employee relations (52%), theft of money (10%), and safety (10%). Twenty-five of these 31 cases were closed following investigation or were closed on the basis that no investigation was necessary. The remaining six cases are still under investigation. No criminal cases regarding bribery were brought against Teck or any of its affiliates in 2018, 2017 or 2016.

Anti-Corruption

All operations and business activities are assessed for risks related to corruption, and internal audits are conducted on a periodic basis to assess compliance with our Anti-Corruption Policy.

The Internal Audit department reports to the Audit Committee on a quarterly basis on any cases of fraud identified, other than those reported through the whistle-blower hotline. No such instances of fraud were reported to the Audit Committee during 2018 and we had no involvement in any investigations regarding alleged breaches of competition laws.

Public Policy Initiatives

We focus on being a collaborative partner with governments in the jurisdictions where we work, and we regularly engage on public policy initiatives that support the competitiveness and the social, environmental and economic sustainability of our industry. In 2018, we engaged with governments on several public policy and regulatory initiatives of relevance to Teck.

Environmental Initiatives

Providing input to government reviews of environmental assessment and regulatory processes: Teck contributed detailed recommendations into government-led reviews relating to the Government of Canada’s Impact Assessment Act and the B.C. Government’s Environmental Assessment Act. Our advocacy focused on our intent to strengthen public confidence in project assessment processes, enhance Indigenous Peoples’ participation and decision-making in these processes, and support sustainable economic growth while ensuring greater regulatory certainty for all parties involved. Our advocacy also included submitting recommendations to the Government of Canada’s review of changes to the Fisheries Act.

Supporting effective climate change policies: Teck continued advocating to governments across Canada for policies that support the transition to a lower carbon economy while ensuring the competitiveness of Canadian emissions-intensive, trade-exposed (EITE) sectors. We submitted detailed recommendations to the Government of Canada and B.C. Government in support of carbon pricing that ensures policies are designed to address, not imperil, the competitiveness challenges that come from a global trade environment that has uneven carbon pricing. Included in this support has been Teck’s co-chair role on the B.C. Climate Solutions and Clean Growth Advisory Group.

Advancing the development of Canada’s Coal Mining Effluent Regulations: Teck remained actively engaged in the review process for the draft regulations through 2018. For Teck, the final design of these regulations is critical for long-term planning for our steelmaking coal operations in western Canada. We will continue to participate in the review and dialogue process with the Government of Canada in 2019 to help ensure the regulations are well-designed and science-based.

Contributing leadership to caribou recovery efforts in British Columbia: Teck is committed to supporting biodiversity and wildlife in the areas where we operate. As part of this commitment, we engaged the Government of Canada, the B.C. Government and local stakeholders in British Columbia on developing effective ways to assist with the protection and recovery of local caribou populations and securing additional land for caribou habitat.

Pictured on page 70: Employees at Trail Operations, British Columbia.
Advancing environmental stewardship in Alberta: As part of our commitment to environmental stewardship, we are working with Indigenous communities and the Government of Alberta to develop a regional conservation area, known as the Ronald Lake Biodiversity Stewardship Area, which is near our Frontier project. More recently, we shared our views on oil production curtailments with the Government of Alberta and will continue to advocate for solutions that help address the price differential for oil from Alberta.

Socio-Economic Initiatives

Advocating for cost-competitiveness: Teck continued to engage the Government of Canada and the B.C. Government to address cost-competitiveness issues relating to carbon taxation, rising costs in electricity, the ongoing administrative inefficiencies around the provincial sales tax, transportation costs, and other federal and provincial tax measures. This engagement included membership on the B.C. Mining Jobs Task Force, which is expected to report out in 2019.

Rebalancing the shipper-railway relationship in Canada: Teck continued to advocate for changes to Canada’s transportation legislation and regulations for enabling a transparent, fair and efficient rail freight regime that meets the needs of all users. As Canada’s largest rail user, Teck advanced recommendations to the Government of Canada aimed at enhancing the performance and reliability of Canada’s rail system to ultimately rebalance the shipper-railway relationship. We actively engaged in shaping some of the legislative changes made to the *Canada Transportation Act* and the associated regulations.

Ensuring the competitiveness of Canada’s ports: Teck is a leading commodity exporter from Pacific coast ports, and our export competitiveness depends on port infrastructure and service levels that are reliable, cost-effective and efficient. As such, we communicated our concerns to the Government of Canada about the non-competitive business environment relating to Canadian port infrastructure, as well as the need to ensure that competitiveness considerations inform decision-making as it relates to port ownership structures.

Enhancing trade relations with key export markets: We continued to support the Government of Canada in enhancing relationships with key export destinations, primarily in Asia and the United States. We supported greater Canada-China trade relations, including engaging in free trade negotiations as well as addressing tariff and non-tariff barriers. We also supported the ratification and implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and supported the Government of Canada in its efforts to successfully negotiate the United States–Mexico–Canada Agreement.

Advocating for the reauthorization of the Education Tax Credit in Alaska: Teck utilizes the Alaska Education Tax Credit through its contributions to the University of Alaska Institute of Social and Economic Research and to the Northwest Arctic Borough School District. The program was reauthorized, with some changes, through 2020. This credit is expected to continue to be utilized by Teck and others in the mining, oil and gas industries and thereby encourage continued investments in educational programs in Alaska.

Participating in the Stand for Alaska Campaign: Teck’s Red Dog Operations was a participant in the Stand for Alaska campaign, formed to oppose ballot measure 1, which would have negatively affected responsible resource development in Alaska. The measure was defeated in the November 2018 election.

Collaborating on heavy fuel oil carriage ban in the Arctic: Teck and NANA have worked with the United States Coast Guard and the United States Department of Transportation, requesting a gradual and responsible time frame for the shipping industry to make the transition away from heavy fuel oil ships to diesel distillates, thereby avoiding negative economic impacts on the local, regional and state economy.

Participating in a major international mining conference: Teck participated in an international mining conference hosted by Chile’s Regional Ministerial Secretariat of Mining and Energy that brought together government, industry and local communities. At the conference, Teck gave presentations and participated in roundtable discussions to highlight the economic benefits of our Quebrada Blanca Phase 2 project, including the new jobs created during the construction and operational stages.

Innovation Initiatives

Working with governments to foster more innovation in mining: Teck actively pursued government initiatives to advance innovation in our operating jurisdictions, including leading Canada’s Digital Technology Supercluster (under the federal Innovation Supercluster Initiative) as a Founding Member. We also made several policy recommendations to the Government of Canada and the B.C. Government on fostering more innovation in Canada’s mining sector, such as dedicating large-scale innovation funding to mining-specific projects and supporting the testing and commercialization of new Canadian mining technologies.

Inclusion and Diversity Initiatives

Advancing reconciliation objectives with Indigenous Peoples: Teck continued advancing reconciliation objectives through our participation in the BC Assembly of First Nations–Business Council of BC Champions Table, through ongoing work with Reconciliation Canada, and through active engagement in various government legislative reviews that included Indigenous components.

Hosting an official visit by the Undersecretary of the Chilean Ministry of Women and Gender Equality: Teck hosted the Chilean Undersecretary of the Ministry of Women and Gender Equity in September 2018 to showcase the initiative underway to include more female workers at our Carmen de Andacollo Operations. This initiative is designed for women from the local district to be trained as haul truck drivers.
**Partnering to increase women’s participation in the Chilean mining sector:** Teck and over 20 mining companies and industry associations in Chile co-signed an agreement with the Ministry of Mining and the Ministry of Women and Gender Equity with commitments to increase women’s participation in the mining industry and introduce greater labour practices and equal opportunities for female workers.

“As part of our commitment to inclusion and diversity in Chile, we are actively collaborating in public policy initiatives that promote spaces for greater participation of women in the mining industry. In 2018, together with local government, private actors and industry associations, we signed the “Mining Decalogue”, which expresses 10 commitments towards greater inclusion of women in the mining industry.”

_Amparo Cornejo_
Vice President, Sustainability & Corporate Affairs, Chile

**Contributions to Industry Associations**
We are members of numerous industry associations and are involved in organizations that provide a platform for advancing best practice in our industry. As we implement our sustainability strategy, our involvement with these organizations provides us with guidance and opportunities to share best practices and contribute to industry standards. Our three largest contributions in 2018 were to the International Copper Association ($1.4 million), the Stand for Alaska coalition ($1.3 million), and the International Zinc Association ($0.6 million).

**Commitment to Transparency**
Teck publicly reports on payments to governments in the countries where we operate, as required under the _Canadian Extractive Sector Transparency Measures Act_ (ESTMA). These payments include taxes, royalties and other payment types, by country and on a project-by-project basis, in relation to the commercial development of oil, gas and minerals. See our ESTMA disclosure on the Public Filings Archive page on our website.

Teck publishes an annual voluntary Economic Contribution Report to complement and enhance our ESTMA disclosure. This report, first published in 2017, demonstrates our overall value generation in the areas where we operate through wages and benefits, payments to contractors and suppliers, community investment, payments to governments, and other payments. See our Economic Contributions web page for more information.

We also engage in and support the work being done to fight corruption by supporting international frameworks such as the Extractive Industries Transparency Initiative (EITI). We participate in the EITI through our ICMM membership.

**Outlook for Business Ethics**
Teck remains committed to upholding high moral and ethical principles as affirmed in our Code of Ethics. In 2019, we will continue to deliver our _Doing What’s Right_ and anti-corruption programs, and engage in related public policy initiatives. We will also continue to expand the application of our anti-corruption and code of ethics training programs to projects as they advance. We will continue to ensure that we are compliant, transparent, cooperative and ethical in all matters, and that we meet our reporting requirements.

**GRI Indicators and Topic Boundary**
102-17, 203-2, 205-103, 205-1, 205-2, 406-103, 415-103, 415-1, 419-103

This topic is considered most material by our shareholders, employees, contractors and suppliers, local communities and regulators in the context of all Teck sites and contractor selection/management.

**How Does Teck Manage This Topic?**
Information about how we manage business ethics, including relevant policies, management practices and systems is available for download on our website.