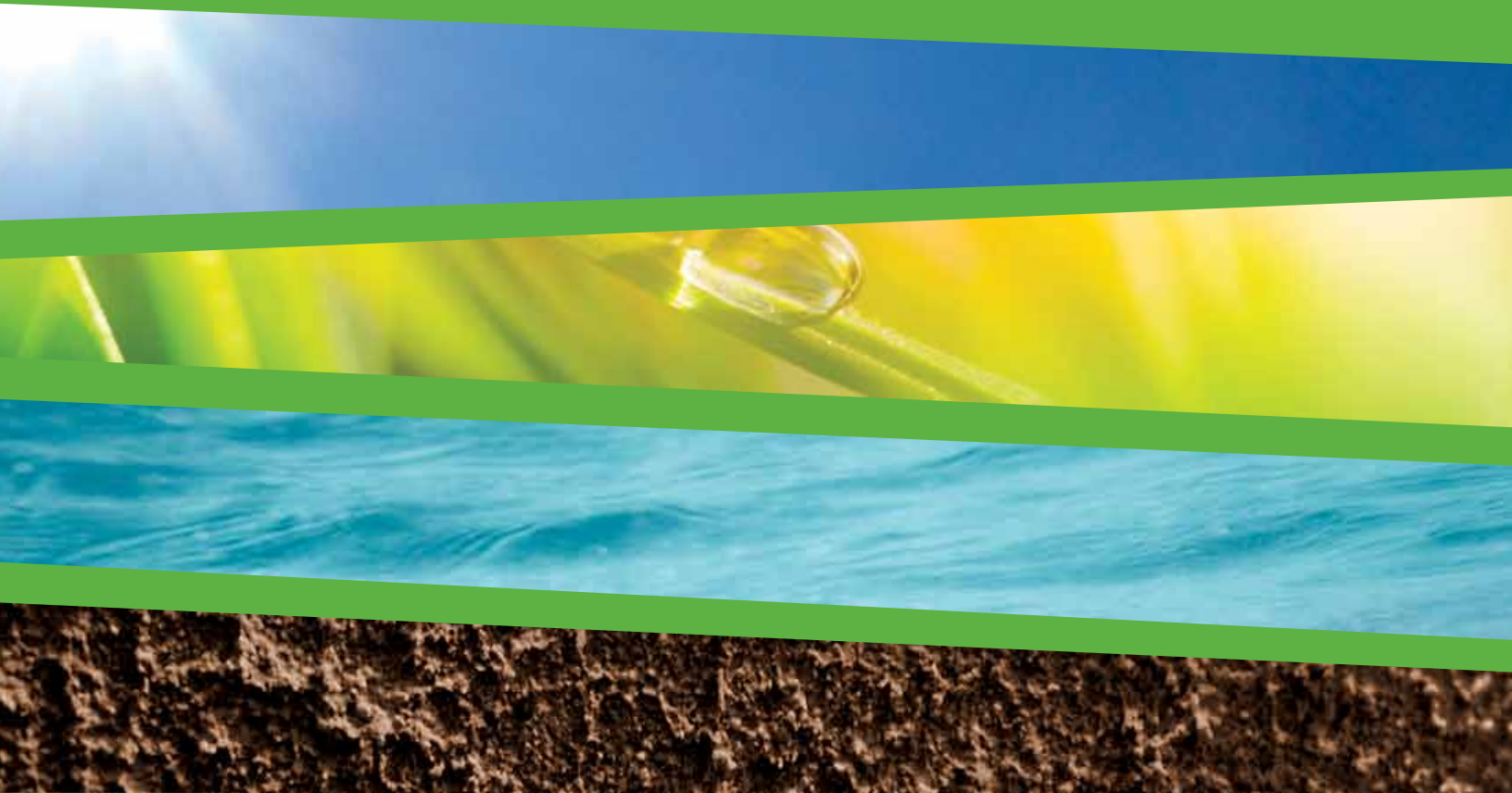


# Resourceful

Teck 2013 Sustainability Report



**Teck**



**Air**

**Ecosystems**

**Water**

**Earth**

# Resourceful

Our *Resourceful* theme speaks to the range of resources at Teck — from our people to our products to the communities that support us. These are key to our success as a resilient resource company in an ever-changing world.

Our cover this year illustrates fundamental elements of our natural surroundings: earth, water, ecosystems and air. These elements relate to the six focus areas that comprise Teck's sustainability strategy.

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## Sustainability Focus Areas



### Community

Collaborate with communities so they benefit in a self-defined and sustainable way



### Our People

Develop and engage our people so they can lead us to a sustainable future, with everyone going home safe and healthy every day



### Water

Responsibly manage water resources for the benefit of present and future generations



### Biodiversity

Achieve a net positive impact on biodiversity in the areas where we operate



### Energy

Make a positive contribution to society's efficient use of energy



### Materials Stewardship

Maximize the benefit of our products and services to society while minimizing impacts on people and the environment

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# Our Business

Teck is a diversified resource company committed to responsible mining and mineral development with business units focused on copper, steelmaking coal, zinc and energy. Headquartered in Vancouver, British Columbia, Canada, we own or have an interest in 13 mines in Canada, the United States, Chile and Peru, as well as one large metallurgical complex and a wind power facility in Canada. We have expertise across a wide range of activities related to exploration, development, mining and minerals processing including smelting and refining, safety, environmental protection, materials stewardship, recycling and research.



## Copper

Teck is a significant producer of copper, with five operating mines and large development projects in Canada and South America.

For thousands of years, copper has been an essential part of people's lives. Today, copper is the material of choice for powering our modern world as a vital component in everything from power generation to hybrid vehicles to computers and smartphones.

Demand for copper is on the rise as middle classes grow around the world and populations become increasingly urbanized. Wherever we are, copper improves our quality of life by connecting families, communities and economies.

About 65% of copper use worldwide is for electrical applications. Copper's superior conductivity makes it a critical part of the modern electronic devices that connect us. Computers, tablets, televisions and smartphones all depend on copper as a vital component in circuit boards and wiring.

## Steelmaking Coal

As a major producer of seaborne steelmaking coal with six operations in Western Canada, Teck is well positioned to help meet growing global demand. We are North America's largest producer of steelmaking coal — an essential ingredient in the production of the steel needed to build critical infrastructure such as transit, schools and hospitals, as well as the products that support our quality of life.

The United Nations forecasts that urban populations will grow by about two billion people over the next 30 years — especially in the Asia-Pacific region. This wave of urbanization will require significant amounts of steel-intensive infrastructure, which is expected to create a sustained, long-term growth in the demand for steel and in the steelmaking coal necessary to produce it.

Steel is required for everything from clean energy generation like wind or solar power to transportation alternatives like rapid transit, buses and hybrid vehicles. It takes about 700 kilograms of steelmaking coal to produce 1,000 kilograms of blast furnace steel, making steelmaking coal a critical resource of a modern society.





## Zinc

As one of the world's largest producers of zinc, Teck plays an important role in supplying zinc to meet the world's infrastructure needs.

Zinc is one of the world's most widely used base metals. For over a century, it has been used to protect steel against corrosion, improving its durability and extending its life; this remains its primary use today. Zinc is also important in producing brass and bronze, and in die-casting to produce thousands of consumer and industrial products.

Importantly, as an essential nutrient for humans, zinc saves lives. It helps reduce illness and improves the health of children, particularly in developing nations where diets may be lacking in zinc. It can also be used in fertilizer to improve crop quality and quantity where soil is zinc deficient.

About 50% of the world's agricultural soils are zinc deficient. Research in China has demonstrated that using zinc fertilizer can increase crop yields by up to 40%. Teck is working with China's Ministry of Agriculture to increase the use of zinc-enhanced fertilizer.



## Energy

Energy is essential to our lives as a source of light and heat, to power our technology and to fuel our transportation.

As populations around the globe — particularly in developing nations — grow and become increasingly urbanized, the demand for energy is increasing. The International Energy Agency predicts that world energy consumption will grow by one-third by 2035. Meeting this growing demand will require a continued focus on developing new and sustainable sources of energy.

Teck is building a new energy business unit by advancing our oil sands projects in the Athabasca region of northeastern Alberta and we are looking for opportunities to develop renewable electricity through initiatives such as our partnership in the Wintering Hills Wind Power Facility in Alberta.

## More than 400 bighorn sheep

near our Cardinal River operations in Alberta have been relocated to strengthen herds across North America

Greenhouse gas emissions were reduced by nearly **13,000 tonnes** and over 5 million litres of diesel fuel were saved in 2013 by making our haul trucks lighter and reducing idling times at our British Columbia and Alberta mining operations

### Teck Customers

- Corporate Head Office
- Corporate Offices

### Operations & Projects:

#### Copper

- 1 Highland Valley Copper
- 2 Duck Pond
- 3 Antamina
- 4 Quebrada Blanca
- 5 Carmen de Andacollo
- 6 Relincho
- 7 Galore Creek
- 8 Mesaba

### Steelmaking Coal

- 1 Cardinal River
- 2 Coal Sites in B.C.
  - Fording River
  - Greenhills
  - Line Creek
  - Elkview
  - Coal Mountain
- 3 Quintette

### Zinc

- 1 Red Dog
- 2 Trail Operations
- 3 Pend Oreille

### Energy

- 1 Frontier
- 2 Fort Hills
- 3 Wintering Hills

# 90%

of total water used at our Quebrada Blanca and Carmen de Andacollo operations is recycled or reused water





Crop yields increased up to

**20%**

when zinc was added to fertilizer through a pilot program with the Chinese Agriculture Ministry

● Ankara

● Beijing

● Shanghai

Nearly

**39,000**

zinc treatments have been supplied to children in partnership with Zinc Alliance for Child Health through a pilot project in Senegal

● Windhoek

● Perth

Operations in four countries,  
focused on copper, steelmaking coal,  
zinc and energy



## Message from the CEO

Donald R. Lindsay  
President and Chief Executive Officer

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There is no question that 2013 was challenging for the mining industry. It was a year of significant price declines for many mining commodities, as well as major write-downs and project cancellations by a number of resource companies. In light of these factors, companies across the sector are increasingly focused on managing capital spending and reducing costs in order to remain competitive. Strong financial performance also enables companies to better manage their business, which includes social and environmental performance.

At Teck, sustainability is fundamental to our long-term success and we remain committed to our sustainability practices. We continue to make progress towards our sustainability goals, and our financial capacity will determine how far and how fast we can move forward to achieve them. Today, we are focused on initiatives that both advance our goals and reduce our costs.

For example, we implemented an anti-idling program for haul trucks at our British Columbia and Alberta mining operations, which is annually reducing greenhouse gas emissions by 13,000 tonnes of carbon dioxide and saving approximately 5 million litres of diesel fuel. Similarly, installation of new, lightweight truck boxes on haul trucks at our steelmaking coal operations is reducing annual diesel use by the equivalent of a further 1.2 million litres, while also allowing each truck to move more material.

These performance improvements show how our focus on sustainability can drive us to innovate and find solutions that contribute to both business and sustainability performance. While markets may change, our commitment to responsible resource development remains steadfast because we know it is the right thing to do for our company, the environment and future generations.

### **Commitment to Sustainability**

Our approach to responsible resource development is defined in our sustainability strategy, which outlines six areas that represent the biggest challenges and opportunities for our work in sustainability: Community, Our People, Water, Biodiversity, Energy, and Materials Stewardship. In 2013, we focused on implementing metrics to track our progress towards achieving our short- (2015) and long-term (2030) goals. This report outlines our progress to date towards realizing our goals.

Our people are fundamental to the success of our sustainability strategy and ensuring their health and safety is always at the forefront of what we do. We achieved our safest year on record in 2013, decreasing total reportable injury frequency by 5.6% and lost-time injury frequency by 26% from the previous year. Despite our progress, there was a fatal accident at our Coal Mountain Operations in southeastern British Columbia in March 2014. This tragic occurrence reminds us that we cannot let our focus on safety waiver as we work towards our vision of everyone going home safe and healthy every day. We are learning all that we can from this occurrence and are increasing our focus on identifying and addressing the root causes of serious incidents.

Water is our most material sustainability issue. It is critical to communities and to ecosystems, in addition to being an essential part of the mining process. We completed two key components of our goals for water in 2013: establishing site-specific water balances and creating integrated water management plans for each operation. These measures will help us improve our management of water and contribute to meeting our long-term goals. We are also working collaboratively to address water quality challenges. For example, in the Elk Valley of British Columbia, near our steelmaking coal operations, we are working closely with governments, First Nations and communities to develop a comprehensive plan that will address water quality issues such as selenium levels on a valley-wide scale.

In the communities in which we operate, we made significant progress towards our goal of establishing uniform measures to assess social risk and performance. We completed social baselines at 11 operations, social impact assessments at seven operations and social risk analyses at nine operations. The results from these processes form the basis for identifying sustainable benefits for communities.

In energy, since 2011 we've implemented 650 terajoules of cumulative energy reductions and achieved our 2015 goal of reducing greenhouse gas emissions by 75 kilotonnes of carbon dioxide-equivalent, primarily through greater use of natural gas in our coal dryers and through our haul truck anti-idling program.

We continued our work towards having a net positive impact on biodiversity, including purchasing 7,150 hectares of private land near our steelmaking coal operations in the East Kootenays of British Columbia for the purpose of ecological conservation. In addition, we conducted biodiversity baseline inventories at each of our operations and continued to support biodiversity research at our sites and at institutions such as the Royal British Columbia Museum.

In materials stewardship, we continued to work with our customers and industry associations to help ensure that our products are managed in a safe and environmentally sound manner throughout their life cycle. We recycled 25,000 tonnes of material at our Trail Operations in 2013, including electronic waste and lead acid batteries.

### **Building Value through Partnerships**

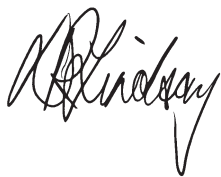
We participate in organizations that help guide sustainability practices in our industry, including the International Council on Mining and Metals and the Mining Association of Canada. Additionally, we work with international bodies that aim to improve sustainability performance across sectors, such as the World Economic Forum and the United Nations Global Compact, in which we contribute as a Global Compact LEAD company.

Our sustainability performance was recognized by a number of external ranking and award organizations in 2013. We were ranked as one of the Global 100 Most Sustainable Corporations by media and investment research firm Corporate Knights for the second consecutive year — and this year we were the only mining company to make the list. We were named to the Dow Jones Sustainability World Index for the fourth year in a row, indicating that our sustainability practices rank in the top 10% of the world's 2,500 largest public companies. While these rankings are encouraging, we recognize that we still have more to do as we work to achieve our sustainability goals.

### **Looking Ahead**

We will continue to focus on sustainability initiatives that advance our goals and reduce our expected costs, particularly in light of recent difficult market conditions. At the same time, societal expectations around issues such as transparency, consultation and engagement are increasing. The goals we have set and the measures we are taking to achieve them — from reducing energy use to improving our management of water — are geared towards helping ensure that we meet those challenges successfully.

We know that by implementing our strategy and achieving those goals, our focus on sustainability performance will continue to be a strength that contributes to our competitiveness, while ensuring the long-term sustainability of our business and the environment.



Donald R. Lindsay  
President and Chief Executive Officer  
Vancouver, B.C., Canada  
June 20, 2014



# Overview

13

years of annual  
sustainability reporting  
at Teck

**About Our Report:** This report covers Teck's 2013 sustainability performance and reports on our sustainability issues, as well as our approach to managing them. Our 2013 Annual Report provides further detail on financial and operating information.

## Audience

The audience for this report is our communities of interest (COIs): any individuals or groups that may be affected by, have an interest in, or have the ability to influence our activities. This includes our employees, local communities, society at large, government, Indigenous Peoples, media, and those with business interests in our company (e.g., shareholders, business partners or industry associations). More information on our COIs is available on pages 112–114.

## Scope and Boundary

The scope of this report includes 11 operations that we own and operate in Canada and Chile, as well as one large metallurgical complex and one mine under care and maintenance in the United States:

- Cardinal River Operations
- Carmen de Andacollo Operations
- Coal Mountain Operations
- Duck Pond Operations
- Elkview Operations
- Fording River Operations
- Greenhills Operations
- Highland Valley Copper Operations
- Line Creek Operations
- Pend Oreille Operations<sup>1</sup>
- Quebrada Blanca Operations
- Red Dog Operations
- Trail Operations<sup>2</sup>

Where material, we also provide information for other sites such as our corporate offices, exploration sites and resource development projects, and two operations in which we have a minority interest: the Antamina mine and the Wintering Hills Wind Power Facility. There have been no changes in the report scope or boundary since 2011.

## Defining Report Content

We report on our material sustainability topics, our approach to managing these topics, and our performance. An overview of our materiality analysis is available on page 12.

This report is organized around our sustainability focus areas:

- Community
- Our People
- Water
- Biodiversity
- Energy
- Materials Stewardship

Throughout this report, we discuss our approach to managing our material topics, and we provide data and/or narrative descriptions regarding our sustainability

performance in each area. We also report on performance related to Global Reporting Initiative (GRI) indicators.

## Data

This report discloses sustainability data for the fiscal year ended December 31, 2013. Material information up to the date of the report's publication on June 20, 2014 is also included.

Our sites provide sustainability data through a centralized database. The data is reviewed for completeness and accuracy at the operations level and at our corporate office. The consolidated data for key indicators can be found in our Performance Overview Table on pages 100–101.

Unless otherwise stated, we report data for our operations on a 100% ownership basis. Data is reported using the metric system and Canadian dollars, unless otherwise stated.

Where available, we include comparative historical data to demonstrate trends in indicators. Some historical data has been restated due to changes in calculation methodologies to improve accuracy, or to correct previous errors in recording or calculating data.

## Global Reporting Initiative Application Level

This report is prepared in accordance with the Global Reporting Initiative Third Generation (GRI G3) Guidelines. The development of this report was guided by the GRI Reporting Principles, Technical Protocols and Indicator Protocols, as well as the Mining and Metals Sector Supplement. This report meets application level A+ of the GRI.

The GRI Finder on pages 122–130 provides an index of GRI indicators and their locations within this report.

## International Council on Mining and Metals

We are members of the International Council on Mining and Metals (ICMM) and are committed to implementing the ICMM Sustainable Development Framework. We have incorporated the Framework's requirements into the scope of our external assurance program in order to have an independent analysis of our work towards meeting the ICMM commitments.

## Independent Assurance

Deloitte LLP independently reviewed our application of the GRI G3 Guidelines and the alignment of our practices with the ICMM Sustainable Development Framework Principles, guided by the ICMM Assurance Procedure. See pages 102–103 for the signed assurance letter.

## For More Information

Please visit [www.tecksustainability.com](http://www.tecksustainability.com) or email us at [sustainability@teck.com](mailto:sustainability@teck.com).

<sup>1</sup> Although we refer to the Pend Oreille mine as an operation (Pend Oreille Operations) throughout our report, the mine is currently not operating. In April 2014, we announced plans to restart the mine and work is underway to achieve production in late 2014 and ramp up to full production by the second quarter of 2015.

<sup>2</sup> Trail Operations is a zinc and lead smelting and refining complex.

## Our Material Topics

This sustainability report covers topics that reflect our most significant sustainability impacts and opportunities. For the purposes of this report, we regard material sustainability topics in the areas of health, safety, environment and community as those that:

- May affect the long-term success of our business, including our ability to create and preserve economic, environmental and social value
- Have the potential to influence the perception of communities of interest (COIs), including those that make decisions and assessments based on our sustainability performance

Materiality, in this context, is the threshold at which an issue or interest should be reported.

### Materiality Analysis

We have identified six focus areas representing the most significant challenges and opportunities facing our company in the area of sustainability, which are the focus and foundation for our sustainability strategy and the framework for this report. Our materiality analysis process allows us to further define our report content by identifying material topics within these focus areas, as well as to identify key risks and opportunities outside these six areas. Our process is informed by guidance from the Global Reporting Initiative's *Technical Protocol — Applying the Report Content Principles* and from AccountAbility's Five-Part Materiality Test.

We have different types of material issues. Issues such as safety, environmental performance, community engagement, good governance and compliance with regulations are managed on a daily basis. Managing

these issues helps to ensure that our employees are safe and productive, communities welcome us and our activities are approved by regulators, thereby allowing our projects and operations to function. This drives value creation for us. We identify issues by analyzing data from operations on environmental aspects, community feedback and site-level risks. We review issues identified in the five-year plan for each business unit and review financial and risk management documents at the corporate level.

In addition, we monitor emerging issues affecting our industry and those that have the potential to affect us and our COIs. We identify these types of issues by engaging with our COIs, by keeping abreast of regulatory developments and by scanning other information sources, including peer company reports, media and research from our COIs, global standards and regulatory frameworks.

Once we have identified potential material topics, they are reviewed and refined by internal experts from each of our sustainability focus areas, and subsequently validated and approved by senior management. We rely on our internal experts to incorporate their knowledge of views from key COIs in making their assessments.

With the exception of governance and business ethics, and permitting and project development, the material topics identified in our analysis are subsets of our sustainability strategy focus areas and are discussed in the corresponding sections of this report.

Table 1 on pages 14 and 15 describes our 2013 material topics.







Pictured above: Casey Brennan, Coordinator Aboriginal Affairs, Community and Government Affairs, with members from Teck's Communities of Interest Steering Committee in Sparwood, British Columbia

Table 1

## 2013 Material Topics

Material Topic	What does this mean for Teck?	Learn More
 <b>Community</b>		
Sustainable Benefits for Communities	<p>Investing in opportunities where the priorities of our communities and our business are aligned in order to address long-term development, locally and globally</p> <p>Creating economic opportunities for communities through local and Indigenous procurement and hiring</p>	Pages 21–26, 30–39
Impacts on Communities	Monitoring and managing impacts and potential impacts on communities	Pages 21–26, 30–31, 40–42, 47
Indigenous Peoples' Rights	<p>Seeking meaningful engagement, collaborative solutions and mutually beneficial relationships with Indigenous Peoples</p> <p>Recognizing and respecting the interests and rights of Indigenous Peoples</p>	Pages 21–26, 30–31, 43–45, 49
Meaningful Community Engagement	Ensuring that COIs have avenues for early, meaningful, consistent and transparent engagement, which will enable us to more effectively manage risks and impacts, and to create opportunities and shared benefits	Pages 21–26, 30–49
Human Rights	Understanding and managing the impacts of our activities on human rights	Pages 21–26, 30–31, 46
 <b>Our People</b>		
Health and Safety of our Employees	<p>Building a culture of safety by developing a values-based safety system that fosters individual commitment to, and leadership in, safety</p> <p>Being an organization that learns from safety incidents, implements training and development in safety, and learns from best practices in the industry</p> <p>Operating with excellence by implementing technical programs to continually improve our safety performance</p>	Pages 21–22, 26–29, 50–55, 65
Employee Attraction, Engagement and Development	<p>Ensuring we can meet our current and future workforce requirements</p> <p>Engaging and developing our people to build a skilled and motivated workforce</p>	Pages 21–22, 50–51, 56–65
Labour and Management Relations	Building positive and productive labour and management relationships across our operations to maintain workforce continuity	Pages 50–51, 61–62
 <b>Water</b>		
Water Quality	Minimizing the impacts of our activities on water quality	Pages 21–22, 26–29, 66–73
Fair Use of Water	Optimizing the amount and type of water used to conduct our activities in consideration of other water users in the watersheds where we operate	Pages 21–22, 26–29, 66–67, 71–73

## Biodiversity

Species at Risk Net Positive Impact on Biodiversity	▶ Identifying and respecting protected and high biodiversity areas in order to integrate biodiversity considerations into our activities  Considering the cumulative effects of our activities on biodiversity to support long-term and diverse land uses in the areas in which we operate  Progressively reclaiming land, including managing the environmental impacts of legacy assets and dormant properties	▶ Pages 21–22, 26–29, 74–81
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## Energy

Energy and Greenhouse Gas (GHG) Performance	▶ Improving our energy efficiency and reducing our GHG emissions in order to reduce costs and minimize environmental impacts	▶ Pages 21–22, 82–87
Energy and GHG Risks and Opportunities	▶ Managing risks and leveraging opportunities associated with energy use and GHG emissions, including investing in and supporting the development of alternative energy	▶ Pages 21–22, 87–91
Oil Sands Development Projects	▶ Recognizing the social and environmental risks and impacts in the oil sands industry and implementing best practices and the latest technologies in project design	▶ Pages 21–22, 26–29, 92–93

## Materials Stewardship

Product Stewardship	▶ Identifying and managing the environmental, health and safety risks of our products from production through to customer use, with consideration for recycling and disposal  Complying with and responding to changes in regulations and COI expectations to ensure market access	▶ Pages 21–22, 26–29, 94–97
Supply Chain Management	▶ Improving our understanding of our supply chains, including key risks and opportunities  Optimizing transportation logistics, including engagement with governments, regulators and other shippers, to ensure the efficient and cost-effective transportation of our products	▶ Pages 21–22, 26–29, 94–95, 98–99

## Governance

Sustainability Governance and Business Ethics	▶ Ensuring responsible sustainability governance practices for the sound management of our company  Conducting our business in an ethical and transparent manner	▶ Pages 18–19
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## Other

Healthy Financial Performance	▶ Ensuring the healthy financial performance of our business by responding to factors such as global demand, market volatility and business growth	▶ Pages 8–9, 16–17
Project Development and Permitting	▶ Exploring opportunities to grow our business through acquisitions and investments  Obtaining and maintaining approvals to operate, expand or open new projects and facilities	▶ Pages 8–9, 16–29
Compliance and Conformance	▶ Monitoring and managing the environmental aspects of our activities to meet or exceed regulatory expectations	▶ Pages 16–29, 100–101



# Our Business and Sustainability Strategy

4

consecutive years we were named to the Dow Jones Sustainability World Index

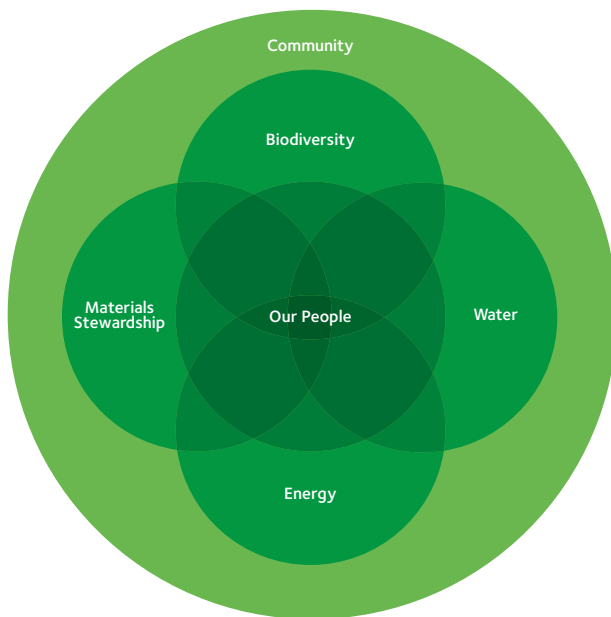
**Our Corporate Strategy:** We are focused on building a broadly diversified resource company, growing our production at existing operations and developing new projects in stable jurisdictions.

The pursuit of sustainability guides our approach to business, and we recognize that our success depends on our ability to establish safe workplaces for our people and collaborative relationships with communities.

In 2011, we developed a comprehensive sustainability strategy that set long-term goals that extend to 2030 and short-term 2015 goals that will help us achieve our vision for sustainability. In 2014, we are undertaking a process to define our next set of short-term goals. Our sustainability focus areas are: Community, Our People, Water, Biodiversity, Energy, and Materials Stewardship (Figure 1). These focus areas represent the most significant challenges and opportunities facing our company.

Figure 1

### Our Focus Areas



Our six focus areas are interconnected; therefore, managing sustainability may require us to balance competing interests. For example, replacing fresh water used for mineral processing with desalinated seawater is likely to increase energy use. The interconnectedness of our focus areas can also create synergies. For instance, reducing overall water use typically results in less

water being pumped or treated, which reduces energy use. We focus on developing strategies that maximize benefits across our focus areas.

Financial performance and a company's ability to implement its sustainability strategy are interdependent. Strong financial performance enables us to better manage our business, including our economic, social and environmental performance. In 2013, we faced challenging market conditions, significantly lower commodity prices and lower margins. Despite these challenges, we remained committed to our sustainability practices and continued to make progress towards our sustainability goals. Our financial capacity will determine how far and how fast we can move forward to achieve our goals, and we are currently focused on initiatives that both advance our goals and reduce our costs. For example, our company-wide cost reduction initiative included the implementation of anti-idling programs at our operations, contributing to both our energy goals and operating cost savings.

Sustainability requires a long-term perspective and decision-making that considers future opportunities and the interests of our communities of interest, all while ensuring that we remain competitive and achieve healthy financial performance.

### Taking Action on Our Goals

We continued to implement our sustainability strategy in 2013. Our executive-level champions for each focus area provide guidance to help us achieve our goals, with the support of implementation teams throughout our business.

Business unit leaders, site leaders, site teams and corporate leaders make up the implementation teams for each focus area. Their responsibilities include developing the strategies to meet our goals and monitoring progress. Implementation plans are integrated into annual site-level plans and into our bonus plan structure. In 2013, to monitor our progress in implementing road maps and achieving our goals, we generated a quarterly progress report that is reviewed by senior leaders. The Community, Water, Energy and Biodiversity focus area goals are integrated into our annual bonus plan, which is applied to all business units.

Progress against our 2015 short-term goals is reported in Appendix A on pages 104–106.

## Sustainability Governance

Teck is fully committed to good corporate governance. The Board of Directors has a Corporate Governance Committee that works with our General Counsel to ensure that our governance practices are up-to-date and meet applicable standards. Sound governance structures and systems protect the interests of investors and other communities of interest (COIs), and ensure that the company is well managed.

### Board of Directors and Board Committees

Our Board of Directors is responsible for the stewardship of our company and ensures that an appropriate corporate governance structure and system are in place. Their mandate is described in detail in our Management Proxy Circular, available on our website. The Chair of the Board is neither an executive officer nor independent. The Board has appointed an independent Lead Director who is also the Deputy Chairman of the Board and the Chairman of the Corporate Governance and Nominating Committee.

An independent director of the Board is: (a) not a member of management and is free of any interest and any business, family or other relationship that could reasonably be perceived to interfere with the director's ability to act with a view to the best interests of the corporation other than interests and relationships arising solely from holdings in the corporation, and (b) is a non-executive, i.e., not considered to have a direct or indirect material relationship with the corporation under subsection 1.4 of National Instrument 52-110.

Eleven of the 14 members of the Board (79%) are independent. The Board has adopted a policy to meet without management present for portions of every meeting of the Board, with directors encouraged to raise and discuss any issues of concern.

The following Board committees, which meet quarterly and are chaired by independent directors, have responsibilities related to sustainability issues:

- The Safety and Sustainability Committee assists the Board with its oversight responsibilities in connection with safety and sustainability, and reviews the policies, systems and resources that are in place to implement our safety and sustainability commitments
- The Corporate Governance and Nominating Committee considers and recommends corporate governance programs to the Board, proposes nominees for Board and committee appointments, and assists with Board, committee and director evaluations to ensure that our governance practices are rigorous, relevant and appropriate to Teck
- The Audit Committee assists the Board with its oversight of audit, accounting and risk management in relation to areas such as financial accounting, reporting and disclosure practices, and anti-fraud programs and controls

- The Compensation Committee of the Board is responsible for recommending compensation policies to the Board and for the annual review of director compensation. This committee reviews and approves the CEO's corporate goals and objectives, evaluates CEO performance in these areas and makes recommendations to the Board on CEO compensation. This committee also reviews and approves senior officer and director compensation, incentive compensation plans and equity-based plans.

### Board Diversity, Qualifications and Expertise

We value diversity. The Corporate Governance and Nominating Committee believes that a Board with directors from diverse backgrounds and different experiences benefits the company by enabling the Board to consider issues from a variety of perspectives. Diversity can enhance decision-making and strategic planning. When assessing potential candidates for nomination to the Board, the committee considers gender, ethnicity and national origin, in addition to business skills, qualifications and career history. In the final analysis, the committee values a broad spectrum of different approaches and understands that a diverse composition of directors can bring insight and good judgment to the issues facing a global mining enterprise.

It is the responsibility of the Corporate Governance and Nominating Committee to identify necessary competencies and skills for Board members. Corporate governance, corporate responsibility and sustainable development experience are part of the selection criteria. This committee conducts an annual assessment to identify skills deficits and to ensure that succession planning covers all necessary Board competencies.

### Shareholder and Employee Feedback to the Board

Shareholder proposals, resolutions and other mechanisms allow shareholders to convey their opinions to the Board. As provided in the *Canada Business Corporations Act*, registered shareholders are entitled to receive notice of the Annual Meeting of Shareholders, and to vote on resolutions. In 2013, there were resolutions presented at the shareholders meeting regarding the election of directors, the appointment of the auditors, and executive compensation. Detailed voting results are posted on SEDAR at [www.sedar.com](http://www.sedar.com) following the Annual Meeting of Shareholders.

Investors have the opportunity to provide feedback to our company via the investor relations group through:

- Email
- Direct or telephone contact with an investor relations officer (a contact person is identified in each news release)
- Regular mail
- Quarterly conference calls



Employees can engage both our CEO and senior management through our “Let’s Talk” sessions. These sessions, which are held periodically, invite employees to ask questions and receive answers on a wide range of topics, including social and environmental issues.

### **Executive Remuneration**

Incentive compensation of the CEO and senior officers is performance-based. Health, safety, environment and community (HSEC) performance is taken into consideration in the annual review of base salary; it is also specifically addressed in the bonus plan, with 12.5% of the CEO’s bonus related to this area. Specific objectives related to HSEC objectives may also be covered in the personal component of the bonus plan, which makes up 30% of the CEO’s bonus. For other executives with HSEC responsibilities, the bonus weighting for HSEC is 17% plus the 30% personal component related to this performance area.

### **Management Committees and Corporate Functions**

The following corporate management committees are responsible for managing sustainability issues:

- The Corporate Environment and Risk Management Committee (CERMC) is responsible for providing oversight and direction to ensure continual improvement in health, safety, environment and community performance and the implementation of appropriate processes and policies across the company. CERMC is a senior management committee that is chaired by the CEO.
- Our Materials Stewardship Committee is responsible for understanding our products’ risks and impacts, making recommendations on new product applications, managing packaging requirements, monitoring product regulations and issues, and establishing policies and procedures related to materials stewardship. The Committee is chaired by the Vice President, Risk and Security.
- The Indigenous Affairs Steering Committee approves policy and provides oversight and direction for the negotiation and implementation of agreements with Indigenous groups. The Indigenous Affairs Steering Committee is a senior management committee that is chaired by the Senior Vice President, Sustainability and External Affairs.

- The Community Investment Committee oversees Teck’s community investment program to ensure that contributions are made in a manner that benefits our communities of interest and are aligned with our business objectives. The Committee sets community investment policies for Teck and reviews major funding requests. It is chaired by the Senior Vice President, Sustainability and External Affairs.

Our Senior Vice President of Sustainability and External Affairs reports directly to our CEO and is responsible for sustainability, safety, environment, community, and Indigenous affairs, among other areas. Her direct reports include the:

- Vice President, Community and Government Relations, who leads the corporate sustainability strategy and activities related to social responsibility, community investment, government relations and Indigenous affairs
- Vice President, Environment, who oversees compliance with environmental standards and regularly reviews environmental performance risks and strategic issues, including biodiversity, water and energy
- Vice President, Health and Safety, who provides strategic guidance in the development of a culture of safety, and assists with the development and monitoring of health and safety strategies

Our Vice President, Human Resources, who reports directly to the CEO, is responsible for our human resources management, which includes sustainability goals related to employee attraction, training and development.

Our Vice President, Risk and Security, who reports directly to the Senior Vice President, Commercial and Legal Affairs, is the Chair of our Materials Stewardship Committee and oversees our materials stewardship strategy.

General Managers at each of our operations are accountable for operation-specific HSEC management systems, for conformance with and certification under the International Organization for Standardization ISO 14001 standard where applicable, and for continual progress towards annual HSEC targets and our sustainability goals. Each General Manager reports to either a Vice President or the Senior Vice President of their respective business unit.

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## **Business Ethics**

We conduct our business in an honest and ethical manner. We expect our employees to deal with everyone in a fair and open manner and to conform with the spirit and intent, as well as the technical requirements, of all contracts that we enter into as well as with all laws, regulations and rules that govern us.

*Doing What’s Right* is our program designed to maintain an ethical workplace. To assist employees in this regard, we have a Code of Ethics available in English, Spanish, Chinese and Turkish. This code specifies the types of behaviours required on the job that will assure our business is conducted with honesty, integrity and respect.

Our *Doing What's Right* program is supported by additional ethics-related policies and procedures, including:

- Competition and Anti-Trust Law Compliance Policy
- Anti-Corruption Compliance Policy and Manual
- Human Rights Policy
- Employee Trading Policy
- Employee Concerns Disclosure Program
- Corporate Disclosure Policy

All non-union, non-hourly employees are required annually to certify compliance with our Code of Ethics and to advise the General Counsel of any potential infractions. Biannually, these employees undergo a web-based compliance and ethics training program to refresh and enhance awareness of the Code of Ethics, including issues such as insider trading, conflicts of interest and harassment.

### **Anti-Corruption**

We engage in and support the work being done to fight corruption by supporting international frameworks such as the United Nations Global Compact and the Extractive Industries Transparency Initiative. Our Code of Ethics requires that we conduct global business in a moral and ethical manner and that employees comply with all applicable laws. Under our anti-corruption compliance policy, payments, gifts or entertainment may not be made to government officials to assist Teck in obtaining or retaining business, nor can employees provide payments, gifts or entertainment that are prohibited by the applicable country or by local laws. We provide anti-corruption training to employees who may be exposed to corruption risks due to the nature of their work. For example, employees who work with government officials or who could potentially have contact with government officials are required to complete an anti-corruption training program.

Employee anti-corruption training is conducted every two years. The next training will occur in 2014. Third-party service providers, agents and consultants who represent Teck to government officials are asked to complete our Third-Party Anti-Corruption questionnaire and, in some instances, to complete our training.

Annually, our internal audit department evaluates the effectiveness of our internal control systems over financial reporting. This includes a consideration of the company's vulnerability to fraud and corruption, as well as an evaluation of the design and effectiveness of those internal controls designed to prevent and/or detect fraudulent activities at a significant level. In 2013, internal control testing was performed at key locations across all business units, representing approximately 93% of the company's 2013 consolidated assets.

### **Facilitating *Doing What's Right***

Our employees are required to report any violations, or potential violations, of our Code of Ethics. Our *Doing What's Right* program includes a whistle-blower hotline and website, which are managed by a third party. These provide a confidential and secure means for our employees to report concerns about conduct that may be contrary to our values and integrity standards. The hotline and website are available 24 hours a day, seven days a week in all jurisdictions in which Teck has employees. We do not tolerate any form of retaliation against employees raising concerns in good faith. All allegations of harassment or intimidation by others as a result of contacting the hotline/website are investigated and, if required, appropriate disciplinary action is taken, which can include dismissal.

We received 25 reports of alleged violations to our Code of Ethics in 2013. The majority of these (37%) related to employee relations issues, followed by a range of other matters, including allegations of corrupt practices, discrimination and conflicts of interest. By the end of 2013, 21 reports were closed following investigation, of which 10 resulted in management action, such as discipline or amendments to practices or policies. Four cases remain open. No criminal cases regarding bribery were brought against Teck Resources or any of its affiliates.

### **Conflicts of Interest**

Our Code of Ethics contains provisions regarding conflicts of interests for employees. Under the *Canada Business Corporations Act*, directors are required to disclose a material interest in any transaction or opportunity that the company is considering. To ensure the exercise of independent judgment, directors who have disclosed such an interest are prohibited from participating in the Board discussion or voting on the transaction.

### **Public Policy Initiatives**

In 2013, we engaged directly and indirectly (through industry groups) with governments in several public policy initiatives related to our business. This included efforts to:

- Ensure access to reliable and efficient transportation, electricity and infrastructure in Canada and Chile
- Enhance regulatory certainty for existing and new mining regulations, including permitting processes, in Canada and Chile by ensuring that these are workable and well designed, and that they contribute effectively to environmental protection and continual improvement while supporting the continued growth of the sector
- Increase mining-related opportunities for Canadian Aboriginal Peoples and under-represented groups in the areas of human resources, skills development and training

- Develop a Canadian reporting regime for the disclosure of payments to domestic and foreign governments, consistent with approaches in other jurisdictions
- Share best practices in sustainability with the Central Party School of the Communist Party of China, in areas including environmental stewardship, safety and community engagement

We report on our advocacy efforts in an open and transparent manner, conforming to all lobbying laws, including publicly reporting activities via lobbyist registries in jurisdictions where we operate.

### Political Contributions

From time to time, we make political contributions in the Canadian provinces in which we operate. In 2013, our contributions totalled approximately \$311,150. All contributions are made in accordance with applicable laws.

### Transparency

There are increasing voluntary requests and legislative requirements for companies to report payments made to governments. We support efforts to strengthen governance by improving transparency and accountability and we fully support the Extractive Industries

Transparency Initiative (EITI). We are committed to publicly reporting revenue generated from mineral extraction in the form of taxes, royalties and other payments. The public disclosure of this information should contribute to the equitable sharing of benefits from resource development. Peru is the only EITI-implementing country where we have an operation that is currently reporting to EITI. Payments from the Antamina mine in that country are disclosed in accordance with EITI standards. Payments to governments related to our other operations are disclosed on our website. Teck actively supports the goals and objectives of the EITI and will continue to support efforts to improve governance through increased transparency.

The Government of Canada is committed to establishing reporting standards, working with provinces, Aboriginal groups, industry and civil society to design practical and effective measures. Through the Mining Association of Canada, we participate on the Resource Revenue Transparency Working Group to promote and assist the effort towards establishing greater transparency in the extractive industries in Canada and overseas. We monitor evolving reporting requirements in other countries where we have operations.

## Health, Safety, Environment and Community Management

Our HSEC Management system provides a structure for implementing our sustainability commitments across the company. It includes overarching corporate policies, the HSEC Management Standards, guidelines and site-level policies and procedures.

Our company-wide commitments are outlined in the following key sustainability policy documents:

- Charter of Corporate Responsibility — A set of principles related to business ethics, health, safety, environment and community that governs all operating practices and provides our overarching sustainability governance commitment
- Code of Sustainable Conduct — Our commitment to sustainable development, focusing on aspects such as community and environmental performance
- Code of Ethics — Our dedication to upholding high moral and ethical standards, specifying basic business conduct and behaviour
- Health and Safety Policy — Our commitment to providing leadership and resources for entrenching the core value of safety
- Human Rights Policy — Our commitment to respecting the rights of our employees, the communities in which we operate and others affected by our activities

Figure 2

### Health, Safety, Environment and Community (HSEC) Management System Structure





## Health, Safety, Environment and Community Management Standards

Our HSEC Management Standards integrate requirements from our internal corporate policies and external sustainability commitments and, as such, they form the framework for implementing sustainability at Teck. The HSEC Management Standards provide a consistent and systematic methodology for the identification and effective management of HSEC issues

and risks, and provide a platform to support continual improvement in HSEC programs and performance.

The HSEC Management Standards provide auditable criteria for evaluating the performance of our HSEC management systems and set out minimum expectations for managing the HSEC-related aspects of our day-to-day activities. As a result, the Standards are intended to provide clarity on the practices that must be in place throughout our company.

Table 2

### Teck's HSEC Management Standards

Compatibility with Other Standards	<p>The Standards are broadly compatible with the following:</p> <ul style="list-style-type: none"> <li>• International Organization for Standardization (ISO) 14001:2004 for environmental management systems</li> <li>• Occupational Health and Safety Assessment Series (OHSAS) 18001:2007 specifications for occupational health and safety management</li> </ul> <p>In addition to our corporate policies, the Standards incorporate our sustainability strategy and goals as well as additional requirements from our key external commitments (a complete list is available in Appendix D on pages 115–118). These include implementation of the following:</p> <ul style="list-style-type: none"> <li>• International Council of Mining and Metals' Sustainable Development Framework and Position Statements</li> <li>• United Nations Global Compact's Principles and Blueprint for Corporate Sustainability Leadership</li> <li>• Mining Association of Canada's Towards Sustainable Mining framework</li> </ul>
Structure	<p>The Standards are structured around the Plan-Do-Check-Act management model of continual improvement. This management model is premised upon the identification, assessment and management of risk, and upon an iterative cycle of planning, action, evaluation and renewal.</p>
Scope	<p>The Standards cover our activities that have the potential to positively or negatively impact employee health and safety, the environment or the well-being of communities. This includes activities that are carried out by our employees and by parties working on our behalf, as well as activities that are carried out under our direction and management control. For example, our Standards include requirements for general management processes such as planning, training and contractor management, and for management processes that relate to a particular aspect of our activities, such as water, human rights, community, and Indigenous Peoples.</p>
Review Process	<p>The Standards are reviewed regularly by our Corporate Environment and Risk Management Committee. To remain current with changing internal or external conditions, the Standards are revised, approved and reissued as needed. The most recent revision was released at the end of 2012; implementation of these revisions continued throughout 2013.</p>

## Social Management

Our focus is on maximizing opportunities and benefits for our communities of interest (COIs) and on managing the social impacts of our activities. Our Social Management and Responsibility at Teck (SMART) Framework provides the systems, processes and tools that help us meet our HSEC Management Standard requirements, as well as internal and external commitments.

### SMART Framework

SMART consists of tools, guides and systems that form the basis of how we manage our social risks and impacts. SMART helps us to identify opportunities to

create sustainability benefits throughout the mining life cycle. The SMART tools and guides are categorized into:

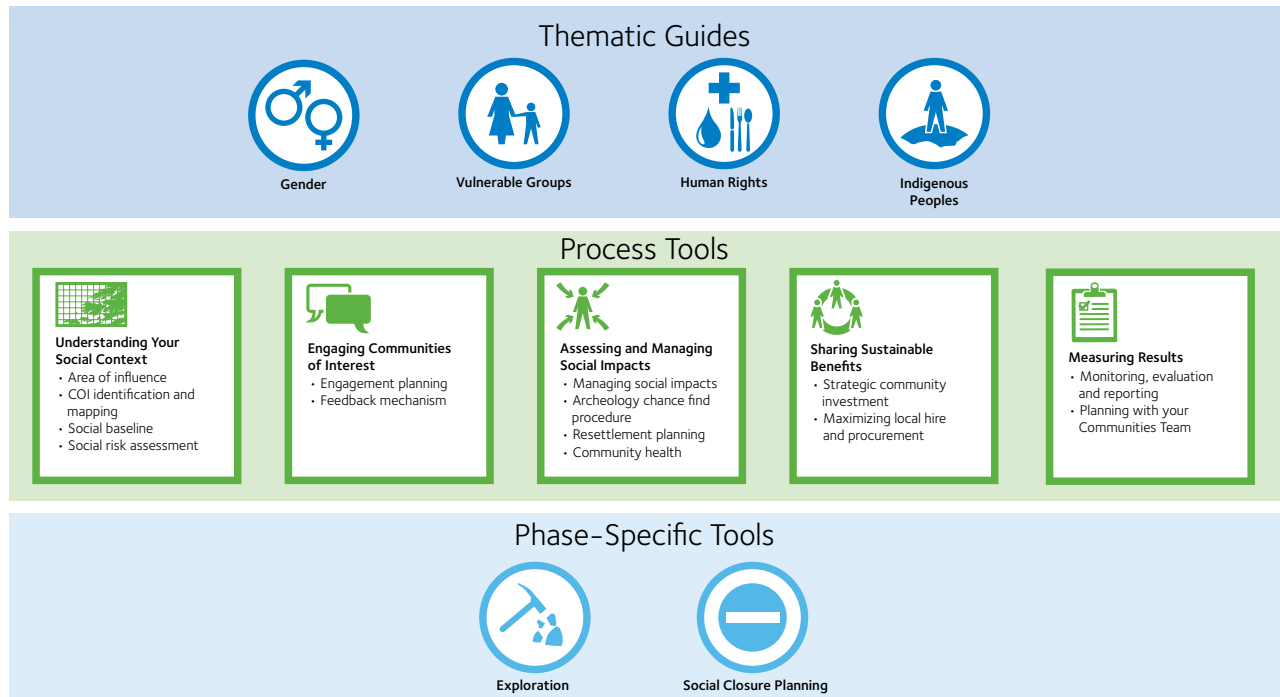
- Thematic guides, which provide a definition and explanation of relevant themes throughout the mining life cycle; these themes include human rights, Indigenous Peoples and vulnerable groups
- Process tools, which provide direction on understanding and managing the social impacts of our activities; these tools include engagement planning, social risk assessment and managing social impacts
- Phase-specific tools, which provide tailored guidance on thematic and process activities specific to a phase in the mining life cycle, such as during the exploration or closure stage of the mining life cycle

The majority of our operations completed social baselines, social risk assessments and social impact assessments in 2013. A social baseline enables sites to better understand the people, places, institutions and trends in their surrounding area. A social risk assessment helps us to understand how external factors relevant to our COIs can affect our ability to

conduct our business. A social impact assessment helps us to understand how our activities affect our surroundings. The results from these processes inform our management and mitigation measures, which are aimed at creating sustainable benefits and avoiding negative impacts.

Figure 3

### SMART Toolkit



## Why Social Management is Important: Understanding the Social Impacts of Mining on Communities

We define social impacts as any positive or adverse consequences experienced by our COIs that result from our activities. While the list below is not specific to Teck, activities across the mining life cycle may result in a range of social impacts, including:

- Increased employment and procurement opportunities, and subsequent socio-economic changes
- Competition to access local benefits, such as employment, due to a population influx and migrant workers
- Increased demand for skilled workers, putting pressure on the ability of existing training facilities to supply people with the needed skills
- Increased demand, due to the influx of people, on social infrastructures such as health services
- Changes in social support structures, due to changing work environments (e.g., shift work and working in more remote locales)
- Increased risk associated with additional vehicle traffic generated by employees, by the delivery of supplies for the site and by the delivery of outgoing product
- Payments to government that may support infrastructure or social programs
- Improvements to or expansion of infrastructure such as roads and transmission lines

## Social Management Systems

We are working to develop operations-specific social management systems (SMS) that help operations achieve conformance to Teck's HSEC standards. Similar to environmental management systems, these systems-based approaches are based on the Plan-Do-Check-Act cycle, using a planning, engagement, monitoring and implementation process to drive improvements in managing social risks and opportunities:

- Plan — understand your social context

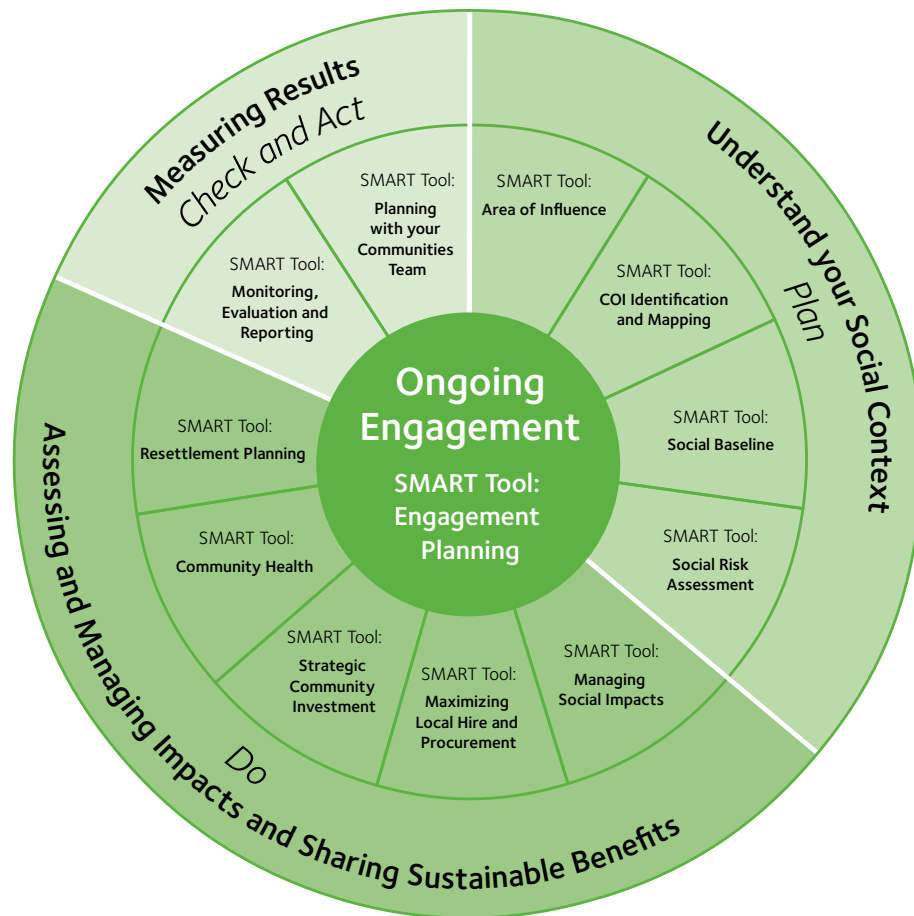
- Do — create and implement action plans
- Check — improve and update
- Act — monitor, evaluate and report

In 2013, Highland Valley Copper Operations developed a Social Management System manual, which lays out the structure for their social management system. The various components of their SMS form a continuous improvement framework that integrates COI engagement throughout the process of planning, implementing and evaluating social performance.



Figure 4

**Social Management System Cycle**



**Engaging with Communities of Interest**

Engagement is the basis for building strong, constructive and responsive relationships with our communities of interest (COIs). It is essential for the successful management of risks and opportunities. The nature, frequency and intensity of our engagement vary, based on our activities and on the social context, identified risks and potential impacts of those activities.

Our goal is to ensure that our interactions with COIs are meaningful and constructive at all phases of the mining life cycle from exploration through to closure. We engage with COIs in order to:

- Disclose and appropriately communicate accurate and timely information
- Gather information and maintain an open dialogue, so we can fully understand the views and concerns of our COIs
- Involve COIs, as far as practical, in decision-making around our activities
- Collaborate with COIs on issues of mutual interest
- Gain support and approval for our activities

We train employees who engage with communities in a people-centred approach to dialogue that is focused on relationships, rather than on issues. Dialogue training gives our teams the technical expertise for quality engagement with our communities, helping us to better understand how communities interact with us and to understand their concerns. Ultimately, this allows us to build mutual trust. See the next page for more information.

We have implemented feedback mechanisms at all of our operations and key resource development projects. We use a range of methods to obtain feedback, including telephone hotlines, text messaging, comment drop boxes, emails, multi-stakeholder panels and visits to remote communities. Our feedback mechanisms help us consistently respond to issues and build our relationships, which is a vital component of our social management approach. See page 42 for more information on our feedback mechanisms.

See page 40–42 for an overview of our performance related to managing social impacts.



## Dialogue Training at Teck

To complement our SMART Toolkit, we implement a people-centred approach to dialogue, which helps us listen in a way that allows us to build mutual respect and develop pathways of collaborative action with our COIs. Training on our approach to dialogue is delivered by the Centre for Social Response, an Australian organization that engages all sectors, including the government, the private sector and the community, to educate people and corporations on good community development. By training our community and key exploration staff in this approach, we are creating a common language and developing new ways to integrate community and social performance management into our business.

### Environmental Management

We work to be responsible stewards of the environment. Our aim is to minimize our footprint and mitigate our impacts and, once mining operations have ceased, to leave behind ecosystems that support productive uses for future generations.

Within our Health, Safety, Environment and Community (HSEC) Management System, our HSEC Management Standards and our environmental audit program help drive continual improvement and assessment of compliance with environmental regulations. Across all of our operations, our focus is on comprehensive environmental management that facilitates effective environmental stewardship. Additional information on our environmental management approach is provided in the HSEC Management Standards section on pages 21–22 and within the sections in this report that focus on water, biodiversity and energy.

#### External Certification

Since 2002, we have worked towards certification of environmental management systems to conform to the internationally recognized ISO 14001 standard. ISO 14001 certification requires external verification through third-party audits conducted by accredited certification service providers. To date, 10 of our operations have attained and maintained certification. Of the three remaining operations, our Pend Oreille mine was not operating and was in care and maintenance in 2013. Carmen de Andacollo Operations has ISO 14001 certification for some of its facilities and we are working towards certification for the entire operation. Quebrada Blanca Operations is also working towards certification.

#### Project Development and Approvals

Our licence to operate depends on our ability to meet legal compliance and demonstrate value to both 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 and performance.

This helps us obtain and maintain approvals to operate and to grow our business.

In 2013, we received regulatory approval from the government of British Columbia for our Line Creek Phase 2 project, which will maintain that mine's production and extend its life by 19 years. In addition, we also announced construction of the Fort Hills oil sands project along with our partners, Suncor Energy and Total (see our case study on page 93 for more information on our energy projects).

#### Environmental Compliance

Our environmental assurance program is designed to check that requirements are met, as dictated by the applicable permits, legislation and regulations in each jurisdiction. We conduct compliance audits on a three-year rotational basis for all operations, as well as mid-term reviews to assess the resolution of audit findings. In 2013, the following operations underwent a third-party audit to assess regulatory compliance:

- Cardinal River Operations, Alberta
- Carmen de Andacollo Operations, Chile
- Greenhills Operations, British Columbia
- Red Dog Operations, Alaska
- Trail Operations, British Columbia

We conduct thousands of measurements to manage and evaluate our environmental performance. As required, we develop corrective action plans based on findings and we regularly assess the implementation of these plans.

We monitor a range of environmental data, including:

- Emissions to air
- Ambient air quality
- Noise levels
- Geotechnical information related to water retention structures
- Incident information (spills)
- Water quality (surface water, groundwater and permitted discharges to receiving water)

- Biodiversity data (including land reclamation)
- Energy consumption and greenhouse gas emissions
- Material use and recycling information

Compliance across all of our operations remained above 99% in 2013. We had 79 permit non-compliance incidents and five regulatory non-compliance incidents. Our significant non-compliance incidents are discussed in the Significant Environmental Spills section on page 28.

### **Mine Waste Management**

Mining, by its very nature, involves the management of large quantities of material to produce an end product. This process generates waste consisting of rock and overburden from mining and tailings from processing, as well as much smaller amounts of non-mineral wastes, including hazardous and non-hazardous materials.

Hazardous and non-hazardous wastes are segregated and disposed of in accordance with waste management plans and regulatory requirements. The primary hazardous wastes produced at our operations include waste oil, solvents, antifreeze, paint, batteries and fluorescent tubes. This waste is recycled or disposed of off-site by licensed contractors. Non-hazardous waste (e.g., scrap metal, wood waste, glass, tires, cardboard and paper) is recycled whenever possible.

We have systems in place to responsibly manage all of our waste materials. In 2013, our operations generated approximately 862 million tonnes of mineral waste, with the vast majority being waste rock and tailings from the extraction of ore and coal. See our Performance Overview Table on pages 100–101 for a detailed breakdown of mine waste information.

### **Waste Rock**

The rock that is removed to access ores and coal typically contains trace amounts of naturally occurring metals and other constituents and is commonly called waste rock. This waste rock must be properly managed to minimize effects on local waterbodies. The bulk of waste rock from our operations is placed in areas that are specifically designed to contain the rock, or it is used to backfill open pits and underground workings. Waste rock that is not susceptible to oxidation processes, which can lead to metal leaching, is also used for reclamation activities and to construct dams and roads. Long-term storage of waste rock is conducted in accordance with closure plans approved by regulatory authorities. These plans include contouring, covering and revegetation to achieve established land use objectives. We generated approximately 785 million tonnes of waste rock in 2013.

### **Tailings and Fine Coal Refuse**

Tailings and fine coal refuse are the finer fractions of the processed material that have, respectively, no economically recoverable mineral or coal content. Tailings and fine coal refuse are typically discharged to tailings dams, which are specially designed storage facilities enclosed by dams. In the case of fine coal refuse, several of our operations dewater the fine refuse and either place it in coarse refuse piles or stack it in its own facility. Where we do have tailings dams, we maintain the integrity of these dams through formal management programs based upon international standards. These management programs include rigorous monitoring and inspection, as well as third-party reviews. We generated approximately 67 million tonnes of tailings and fine coal refuse from processing ore and raw coal in 2013.

### **Coarse Coal Refuse**

Coarse coal refuse (CCR) is a coarse fraction of raw coal that is separated during processing. CCR is placed in designated engineered dumps or, if determined not susceptible to metal leaching, may be used as a construction material. It is also mixed with dewatered fine coal refuse within engineered structures at several of our operations for storage efficiency. Long-term storage of CCR is conducted in accordance with approved closure plans involving contouring, covering and revegetation to achieve established land use objectives. We generated approximately 10 million tonnes of CCR from handling raw coal in 2013.

### **Process Materials**

We use a broad variety of supplies and materials to aid in the processing of our products. In 2013, our mining operations used the following primary process materials that were not recyclable or reusable:

- Explosives (216,155 tonnes)
- Sulphuric acid (88,115 tonnes)
- Lime (69,059 tonnes)
- Grinding media (30,512 tonnes)

The primary process materials used at our Trail Operations refinery and smelter in 2013 included:

- Zinc concentrates (502,387 tonnes)
- Lead concentrates (142,375 tonnes)
- Ammonia (73,373 tonnes)
- Limestone (44,111 tonnes)

## Air Quality

Local air quality within the vicinity of our operations is affected by particulate matter (e.g., fine and coarse dust) that is generated by activities such as blasting, transportation of materials, ore crushing, smelting and refining, and by wind erosion of stockpiles and tailings. We recognize the importance of minimizing the amount of dust generated by our activities and we implement a number of practices to reduce the amount, including:

- Adjusting blasting practices when winds are unfavourable
- Applying sealants and dust suppressants to material piles, roadways and railcars
- Using water sprays on roadways and while handling dusty materials
- Using road sweepers and washing roads
- Using cover systems for trucks and railcars where appropriate
- Storing and handling materials in buildings where feasible
- Placing cover systems (domes) over coarse ore stockpiles
- Using ventilation systems with particulate filtration for conveyors and buildings

The transportation of our steelmaking coal can result in dust. We work with our railway transportation partners to apply sealant sprays to materials in railcars and with our port terminal partners to manage dust on-site, including the use of automated dust-suppression systems.

We regularly monitor and report point-source emissions and ambient air quality outside the boundaries of our operations. Monitoring methods include real-time particulate monitors and high-volume monitors programmed to sample air over a 24-hour period, as well as dust fall jars, which provide a simple and effective method of assessing dust levels over longer periods of times (e.g., days or weeks). In addition, weather stations allow us to determine the relationship between dust levels, wind patterns and precipitation, and to react promptly to changes in weather patterns that may affect the surrounding air quality.

In addition to monitoring particulate matter, our operations monitor and report on other air emission parameters in accordance with permit and regulatory requirements. Our emissions to air in 2013 are summarized in Table 17 on page 107.

## Spills

A spill is an unintended event that, in the vast majority of cases, is immediately contained and has no environmental implications. All of our operations have control measures in place to minimize the likelihood of spill events and to mitigate potential effects on the environment for those that do occur. The control measures include facility design considerations, spill containment measures, meters, alarms, standard

operating procedures, training, regular inspections, and the identification of potential issues through internal risk assessments and audits. Significant spill incidents are investigated to identify the root causes and we implement remedial measures and corrective actions to prevent the future occurrence of similar events.

## Significant Environmental Spills

We assess the severity of environmental spills based on their potential safety, environmental, legal, reputational and financial impacts. Based on our severity assessment scale, we had one significant spill in 2013 and one in early 2014.

On January 4, 2013, a release of fuel oil caused by a pipe failure was detected at our Quebrada Blanca Operations in Chile. The pipe failure allowed fuel oil to discharge into a trench that was connected to the sewage water treatment facility. The fuel oil passed through the sewage treatment facility and was discharged with treated water into a ravine. Once the pipe failure was detected, the source was shut off, containment and cleanup efforts were initiated and a Compliance Plan was developed to satisfy the requirements of the Chilean Superintendence of the Environment. The cleanup of the ravine was substantially complete by the end of April 2013 and all testing and compliance requirements were completed by August 2013. In February 2014, the Chilean Superintendence of the Environment approved the Compliance Plan submitted by Quebrada Blanca, including the associated cleanup and follow-up requirements. Since this incident, we have replaced pipes and redesigned containment around the fuel oil storage facility to ensure that this type of incident does not reoccur.

On January 28, 2014, approximately 25 cubic metres of a solution containing sodium hydroxide were discharged from our Trail Operations to a domestic sewer line that connects to the regional district's sewage treatment plant, which discharges its effluent to the Columbia River. Regulatory authorities were notified, the source of the release was identified and the interconnecting piping that allowed the transfer of the solution to the regional sewage plant was removed. No impacts on fish or the environment occurred as the result of the incident. Since this incident, we have undertaken a further review to ensure that no similar connections exist elsewhere in the operation.

## Fines

In November 2013, we paid a stipulated penalty of \$210,000 related to an environmental release that occurred at Trail Operations in 2011.

## Environmental Litigation

We and our affiliates are involved in ongoing proceedings in connection with Trail Operations and the Upper Columbia River. Please see the next page and page 127 in our 2013 Annual Report for more information.

## Progress on the Groundwater Remediation Plan at Trail Operations

Studies undertaken by Teck have identified groundwater that contains materials associated with Trail Operations' historical activities, primarily ammonia. Studies conducted to date have found that the fish populations in the Columbia River have not been affected by the groundwater and that the water quality of the river meets drinking water standards. We are working with Environment Canada on addressing this legacy from historical activities.

We created a comprehensive groundwater remediation plan that was submitted to Environment Canada in 2012. The plan describes how impacted groundwater will be intercepted and treated. The plan was accepted by Environment Canada and design of a remediation system is now underway, with the construction of a water treatment plant expected to begin in 2015.

A small portion of the impacted groundwater exits into a bay on the Columbia River near Trail, British Columbia. As an interim measure and prior to the completion of the groundwater remediation plan, we installed a submersible pump into this bay in 2013. The pump prevents the accumulation of impacted groundwater within the bay during low flow periods. It does not affect recreational access to the river and it will be removed once the groundwater remediation plan takes effect and testing affirms that the pump is no longer necessary.





# Community



22

million dollars invested in communities through our community investment program in 2013

**Vision:** We collaborate with communities so they genuinely benefit in a self-defined and sustainable manner from our activities and products. Communities consider themselves better off as a result of their interactions with us and offer broad support for our efforts.



### **Why is this topic important?**

Business activities have impacts, both positive and negative, on communities. Community expectations of, and influence on, business are increasing, driving increased scrutiny on business behaviour, including social and environmental performance. The rapidly evolving business environment, influenced by trends such as resource scarcity and supply chain accountability, is driving companies to demonstrate their value and continuously improve their environmental and social performance.

Mining is one of the largest contributors to helping people across the world rise out of poverty by providing jobs and community infrastructure. The products that mining produces are also essential to improving the quality of life for people around the world. However, mining activities can also have detrimental environmental, social and economic impacts on communities. There is a growing demand by communities for the industry to do more to manage impacts, to increase collaboration in decision-making and to further share benefits.

### **What does this focus area mean for Teck?**

We are dependent on community support for our activities. This is why communities are the bedrock of our sustainability strategy. If not well managed, our activities can have negative impacts — such as environmental degradation, stresses on social infrastructure such as housing and health services, interruption of subsistence lifestyles, or creation of economic dependence on our company — on community health and well-being. Community opposition to our activities can also delay projects and contribute to rising costs.

Our desire is for communities to derive sustainable benefits and opportunities as a result of their interactions with us. We continually engage and collaborate with communities and Indigenous Peoples through all phases of the mining life cycle to identify opportunities to minimize impacts and to maximize shared value in a way that contributes to their long-term well-being.

### **Why is this important to our communities of interest (COIs)?**

It is important to our COIs that we listen to their concerns and find solutions that negate or mitigate negative impacts and maximize positive impacts. In particular, COIs typically have an interest in economic development opportunities through employment with us, as well as through our local purchasing and community investment activities.

### **What is our approach?**

Our Social Management and Responsibility at Teck (SMART) Framework provides the structure for implementing a consistent approach to managing our social performance and achieving our community focus area goals. For example, the SMART social baseline and risk assessment tools allow operations and projects to assess and manage social impacts and risks in a manner appropriate to their social context. Ensuring that COIs have mechanisms for early, meaningful, consistent and transparent engagement helps us to more effectively address impacts and to collaborate on opportunities and shared benefits.



## 2013 Highlights

- Completed social baselines at 11 operations, social impact assessments at seven operations and social risk analyses at nine operations
- Negotiated three comprehensive agreements with Indigenous Peoples for two sites in British Columbia
- Implemented feedback mechanisms at 12 operations

## Maximizing Sustainable Benefits for Communities

We contribute to the wealth and prosperity of the countries, regions and communities where we operate through tax and royalty payments, direct and indirect employment, the procurement of goods and services and community investments. We recognize that economic development needs to be managed responsibly so that it does not lead to dependence. We focus on facilitating long-term economic opportunities coupled with strategic community investments to encourage lasting positive benefits for the communities in which we operate.

In 2013, we generated approximately \$9.3 billion and distributed approximately \$7.3 billion in economic value as defined by the Global Reporting Initiative (Table 3 below).

We generate economic and financial value for our communities of interest. For our shareholders, we paid dividends at an annualized rate of 90 cents per share, returning \$521 million to shareholders. We also bought back \$176 million of shares during the year. We donated over \$22 million to over 1,000 global charitable organizations and projects that support community development, environmental protection, human health and education. We paid \$425 million in income and resource taxes to various levels of government, creating benefits where we operate. See our 2013 Annual Report for more detailed information on our financial performance.

Table 3

### Economic Value Generated and Distributed (\$ in millions)<sup>(1)</sup>

	2013						2012
	Canada	Chile	Peru <sup>(2)</sup>	United States	Other	Total	Total
<b>Economic Value Generated</b>							
Revenues	6,644	1,028	822	888	0	<b>9,382</b>	10,343
<b>Economic Value Distributed</b>							
Operating Costs <sup>(3)</sup>	3,460	575	163	399	15	<b>4,612</b>	5,258
Employee Wages and Benefits	1,066	105	72	94	7	<b>1,344</b>	1,325
Dividends to Shareholders <sup>(4)</sup>	521	0	0	0	0	<b>521</b>	469
Interest Paid	355	0	0	0	0	<b>355</b>	428
Income and Resource Taxes Paid <sup>(5)</sup>	113	(7)	112	170	37	<b>425</b>	578
Community Investments <sup>(6)</sup>	15	4	–	0.7	2.6	<b>22</b>	23
Subtotal	5,530	677	347	663.7	61.6	<b>7,279</b>	8,081
<b>Economic Value Retained</b>	1,114	351	475	224.3	(61.6)	<b>2,103</b>	2,262

<sup>(1)</sup>All amounts are reported using International Financial Reporting Standards.

<sup>(2)</sup>Payments to government from the Antamina mine in Peru are publicly disclosed on Antamina's website in accordance with the Extractive Industries Transparency Initiative.

<sup>(3)</sup>Per income statement (fiscal year). Includes operating expenses at our mining and processing operations and our general and administration, exploration, and research and development expenses. Does not include employee wages and benefits.

<sup>(4)</sup>Only includes corporate dividends from Teck Resources Limited. Does not include dividends paid from our consolidated subsidiaries to non-controlling interests.

<sup>(5)</sup>Does not include other taxes (property, payroll, royalty, etc.). However, these other taxes may be reflected in operations' operating costs. Breaking this figure down to reflect all components is beyond the scope of this report.

<sup>(6)</sup>See our community investment section on the following pages for additional details.

## Community Investment

We define community investment as a voluntary action or contribution that is beyond the scope of our normal business operations. Community investments are intended to benefit our COIs in ways that are sustainable, that support our business objectives and that are consistent with our sustainability strategy. We focus on investing in opportunities that meet our business needs as well as the needs of our communities. Our community investment program creates shared benefits and enables us to:

- Collaborate with communities on long-term development and social goals, both locally and globally
- Mitigate specific social risks faced by our company
- Leverage our business goals, competencies and knowledge to create added social value

Figure 5

### Strategic Community Investment Model



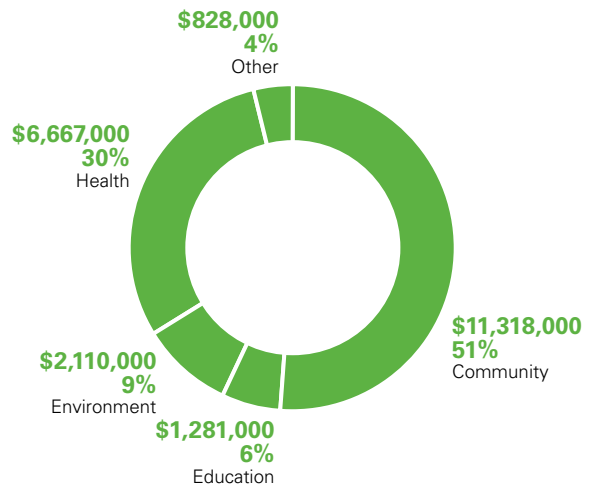
Company-wide, our aim is to contribute 1% of annual pre-tax earnings to community investments on a five-year rolling average basis. In 2013, we provided more than \$22 million to organizations and initiatives that contribute to the socio-economic development of our communities across our operations, offices, exploration properties and projects. Our community investments consisted mainly of cash contributions, with less than 1% (\$100,000) provided as in-kind donations. Since 2011, our total contributions declined approximately 10% as a consequence of a decline in our pre-tax earnings. Investment increases and decreases at the site level are reflective of changing community needs.

## What We Support

We focus our contributions on community, education, environment and health (Figure 6). These categories align with our sustainability strategy and business objectives. From time to time, we also support other areas such as arts and culture.

Figure 6

### What We Support



Some of our community investments are intended to benefit a broad COI group, such as our support for Aboriginal business in Canada through our investment in the Capital for Aboriginal Prosperity and Entrepreneurship (CAPE) Fund. In 2013, we contributed \$1,455,000 to Indigenous-related community investments. See the next page for more information on CAPE Fund. Supporting Aboriginal participation in the Canadian economy creates opportunities for sustainable economic development through capacity building and income generation.



## Supporting Aboriginal Entrepreneurs

Sean McCormick designs and manufactures Aboriginal-inspired footwear sold around the world at Manitobah Mukluks. Kelly Beaulieu creates premium-quality fruit and vegetable purees at Canadian Prairie Garden Puree Products. Ben Voss develops a 40-megawatt biomass energy project at Meadow Lake Tribal Council Industrial Investments. Sean, Kelly and Ben are leaders of three of the Aboriginal companies supported by Capital for Aboriginal Prosperity and Entrepreneurship (CAPE) Fund.

Teck is one of 21 founding investors in CAPE Fund, promoting long-term economic opportunities coupled with community investments to help ensure we leave a positive and sustainable legacy.

Established in 2008, CAPE Fund is a \$50 million private equity investment fund with a portfolio of Aboriginal businesses from across Canada. CAPE Fund aims to support and enable Aboriginal entrepreneurs or communities to pursue promising business opportunities, create wealth and simultaneously build management capacity in Aboriginal-owned companies. It accomplishes this by providing businesses with start-up capital and ongoing support.

Since its inception, CAPE Fund has met and engaged with numerous First Nations, Métis and Inuit communities and entrepreneurs, Aboriginal-owned and -operated companies, Aboriginal economic development corporations, professional groups, government, and potential investment and joint venture partners to identify promising investment opportunities. CAPE Fund invests in seven companies that span the country and operate in several sectors of our economy. Each company is generating employment and skill-building opportunities for the communities in which they operate.

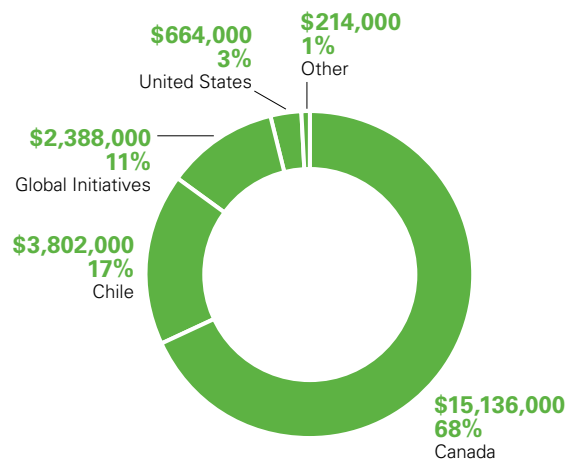
“CAPE Fund’s primary goal is to prove that investing in Aboriginal entrepreneurs and business provides profitable outcomes. The Fund will create successful role models who will demonstrate to young Aboriginals the rewards and tangible benefits of acquiring education and participating in private sector enterprise,” said Alex Farley, CAPE Fund Director.

### Where We Contribute

Our community investment program is designed to support the many communities where we live and work (Figure 7). We also contribute to global initiatives, such as our Zinc & Health program.

Figure 7

### Where We Contribute





## Zinc & Health

Teck's Zinc & Health program is making a real difference in the lives of people at risk of zinc deficiency, which contributes to the death of 450,000 children every year. Our partnership with the chemical company BASF has provided 35 million people with access to zinc-fortified staple foods to improve nutrition. And our work with the Zinc Alliance for Child Health — our partnership with the Government of Canada and the Micronutrient Initiative — has helped provide zinc and oral rehydration salts (ORS) to five million children in sub-Saharan Africa.

According to UNICEF, more children die in India than anywhere in the world. Many die from preventable causes like diarrhea. Sadly, less than 2% of children in India have access to zinc and ORS, an inexpensive life-saving treatment. That's why we partnered with UNICEF Canada in 2013 to improve access to and use of zinc as a treatment for diarrhea in three states of India — Uttar Pradesh, Madhya Pradesh and Odisha. Our partnership with UNICEF Canada aims to save the lives of 150,000 children by 2018 and 50,000 lives annually going forward by strengthening health care systems in India. To learn more about our Zinc & Health program, visit [www.zincsavestives.com](http://www.zincsavestives.com).

Pictured above: a man with his son in Gujarat, India, where Teck and UNICEF are working together to provide life-saving zinc treatments to children

## Creating Economic Opportunities

Maximizing local hire and procurement opportunities is a key strategy for delivering concrete and sustainable benefits to COIs. Promoting long-term employability and economic resilience will help support the sustainability of COIs post-closure and ensure that we leave a positive legacy. Locally sourcing goods, services and people helps gain community support for our activities, enhances our local knowledge, facilitates our access to local resources and mitigates business and social risks.

As one of our 2015 sustainability goals, operations are enhancing local employment and procurement opportunities. In 2013, we took steps to ensure that the COIs most directly affected by our activities benefit through their interactions with us by developing a consistent approach to the definition of local at each site.

## Local Procurement

Most purchasing at Teck is decentralized and much of the responsibility for sourcing goods and services lies with individual sites. Whenever possible, we look for opportunities to utilize local suppliers, providing that they meet our standards and provide cost-competitive goods and services. At some of our sites, local suppliers include suppliers who self-identify as Indigenous.

Some of our sites work with local businesses and suppliers to build capacity and help them meet our business standards. For example, since our local supplier development program began in 2011 at our Carmen de Andacollo Operations, local procurement has steadily increased. See below for more details.

Table 19 on page 109 shows the percentage of local procurement by each operation. Increases and decreases in local procurement are influenced primarily by site-level construction and maintenance activity, as well as by the availability of suppliers in the local area.

## Local Procurement at Carmen de Andacollo

At our Carmen de Andacollo (CdA) Operations in Chile, an estimated 52% of our employees come from the surrounding local area. To further strengthen our relationship with the community, CdA worked with the town of Andacollo and other regional groups to develop the Carmen de Andacollo local supplier development program in 2011. Together, we have been working to build the capacity of local suppliers and businesses by providing funding to develop business plans, build management skills, and market their services and products.

Now in its third year, program objectives are evolving as CdA seeks to further strengthen our local supply chain. For example, Andacollo businesses are typically small in scale, which prevents them from being able to take on some of CdA's larger contracts. As a result, CdA has been working with local suppliers to encourage them to team up with one another, helping them boost their working capital and achieve greater economies of scale. Since 2012, CdA has also been working with the Chilean Economic Development Agency to offer 20 local businesses training on their management capabilities.

CdA is also actively working with local suppliers and other mining companies to link suppliers with regional and national markets in an effort to help suppliers' long-term competitiveness and maintain their economic sustainability beyond the life of the mine. Our focus in 2014 is to replicate local-level successes on regional and national levels.

As a result of these efforts, the number of Andacollo residents working for contractors that serve CdA has increased, as has local procurement — from US\$2 million in 2007 to US\$29 million in 2013.

### Procurement from Indigenous Peoples Suppliers

In 2013, our operations spent approximately \$127 million on suppliers who self-identified as Indigenous; this represents an increase of 9% or nearly \$10 million over the prior year and amounts to 3% of our total spend. The vast majority of this spending is at our Red Dog Operations, where Indigenous Peoples' procurement is a cornerstone of our operating agreement, which governs the operation and development of the mine. In 2013, 47% of Red Dog's spending was with Indigenous suppliers.

We are implementing programs to increase our percentage of spending on Indigenous suppliers at other sites by developing tools and processes including business development support, Indigenous procurement processes and tracking systems. For example, where we have formal agreements with Indigenous Peoples, we identify local Indigenous suppliers and develop processes to share information on procurement opportunities and Teck's supplier qualification requirements. In some situations, we work directly with Indigenous suppliers to help them meet our qualifications, or provide them with training and business

development support. See below for information on how we support Aboriginal businesses in the Elk Valley and the case study on page 49 for how we work with Indigenous Peoples at our Highland Valley Copper Operations. These initiatives led to increased spending on Indigenous suppliers in 2013. For example:

- Elk Valley steelmaking coal operations increased spending by 37%
- Highland Valley Copper Operation's spending increased by 320% and now represents 6% of the total spend
- Cardinal River Operations increased spending by 120%, although the total is still less than 1% of the total spend

### Local Hiring

We maximize local hiring opportunities. Sites are working towards our 2015 sustainability goal of emphasizing local employment by developing local hiring programs tailored to their specific circumstances. Table 4 on the next page provides a breakdown of local hiring at our operations. Approximately 85% of employees in senior management roles are local; for the percentage at each operation, see Table 18 on page 108.

## Supporting Aboriginal Businesses in the Elk Valley

British Columbia's Elk Valley — home to five of our steelmaking coal operations — resides within the traditional territory of the Ktunaxa First Nation. Our working relationship with the Ktunaxa has grown with the 2008 establishment of the joint Ktunaxa-Teck Procurement and Employment Operational Working Group (PEOWG).

The PEOWG, which meets every two months, promotes ongoing relationship building and cooperation between the Ktunaxa Nation Council (KNC) and Teck to increase employment and procurement for Ktunaxa members and businesses. The group addresses issues such as training, education, employment, job readiness, procurement and business development for Ktunaxa Nation members. We are committed to working with the Ktunaxa to ensure that Aboriginal businesses have access to economic opportunities created by our operations.

In September 2013, Teck hosted a business symposium with the Ktunaxa that included a business matchmaking session to introduce Ktunaxa businesses and Teck contractors to each other, as well as Ktunaxa businesses to various operational staff.

Some examples of Ktunaxa-owned and -operated businesses that have tapped into economic opportunities and are providing products and services to Teck include:

- St. Eugene Golf Resort and Casino — owned by a partnership that includes the Ktunaxa Nation and provides hotel and conference space for numerous Teck-related functions
- Tipi Mountain Native Plants — a nursery that provides plants for use in reclamation at our operations earned an Aboriginal Business Award in December 2013
- Nupqu Development Corporation — natural resource management consulting and contracting
- Legend Logos — produces custom gifts and embroidery



Table 4

**Number and Percentage of Local Employees<sup>(1)(2)</sup>**

Operation	2013		2012		2011		Definition of Local	
	Percentage Change Since 2011	Number	Percentage	Number	Percentage	Number		Percentage
Cardinal River	7	419	88	413	88	392	87	Regional
Carmen de Andacollo <sup>(3)</sup>	60	841	99	848	100	524	65	Regional
Coal Mountain	42	325	80	247	75	229	71	Regional
Duck Pond <sup>(4)</sup>	89	283	97	259	93	150	55	Province-wide
Elkview	72	1,108	68	671	55	646	68	Regional
Fording River	47	1,202	66	800	67	820	68	Regional
Greenhills	3	600	75	441	72	584	94	Regional
Highland Valley Copper	19	1,381	94	1,221	93	1,158	93	Regional
Line Creek	55	509	70	362	72	329	70	Regional
Pend Oreille	57	80	76	61	77	51	84	Regional
Quebrada Blanca	41	681	56	418	54	482	54	Regional
Red Dog	28	468	80	369	85	367	78	State-wide
Trail Operations	(1)	1,544	98	1,590	99	1,560	99	Regional

<sup>(1)</sup> Operational data is not directly comparable, as there are differences in how each operation defines "local" and tracks data.

<sup>(2)</sup> Historical human resources-related data can change based on the date a report is generated. Since we are continually improving the data integrity of our reporting systems, historical data can change and the percentages of local employees calculated here may be based on a different employee total than that reported in our global workforce total on page 56.

<sup>(3)</sup> Carmen de Andacollo Operations expanded its definition of local to include the cities of La Serena and Coquimbo in 2012.

<sup>(4)</sup> Duck Pond Operations expanded its definition of local from regional to province-wide in 2012.

### Hiring Indigenous Peoples

We are increasing the number of Indigenous People employed by our operations. However, we face the persistent challenge of accurately tracking these numbers, which are based predominantly on voluntary self-identification.

Our Red Dog Operations, which has a target of 100% of its employees being NANA shareholders, is currently our only site with a formal tracking system for Indigenous employees. This target was established as part of our operating agreement with NANA. The percentage of NANA employees currently stands at 52%. At our Galore Creek resource development project, over 20% of employees are from the Tahltan Nation.

Our Highland Valley Copper and Elk Valley steelmaking coal operations have begun to develop systems and processes to support the Indigenous employment commitments that we have made in formalized agreements as well as informally with local First Nations communities. For example, our joint operation-First Nations working committees have developed recruitment practices, training programs and other tools to support Indigenous hiring and employment. In collaboration with the Nlaka'pamux communities at Highland Valley Copper, we have set a non-binding five-year target of 10% Indigenous employment, and we will implement a corresponding system to track self-identified Indigenous new hires. In 2013, our steelmaking coal operations in the Elk Valley and Highland Valley Copper Operations increased their hiring of self-identified Indigenous Peoples.



Pictured above: Huw Davies, Foreman, Mine Operations, communicates with his team at Fording River Operations

## Managing Impacts on Communities

Engagement with communities of interest (COIs) is the primary means through which we understand and manage the social impacts of our activities. Engagement is the process of developing and deepening the relationship and trust with COIs through meaningful interaction and dialogue. It helps us understand COI expectations and identify opportunities for collaboratively managing our impacts and for building sustainable benefits for communities.

It is through engagement that we work with communities to collaboratively manage our impacts. At Carmen de Andacollo Operations, for example, we work with artisanal small-scale miners to assess their need for access to mineral resources on or adjacent to our property. Our Trail Operations has established Trail's Family Action Network and the Trail Health and Environment Committee, a group of COIs (made up of individuals, health professionals and organizations) working to understand and manage the historical impacts of soil contamination on children's health. At our Red Dog Operations, we have established a Subsistence Committee to minimize and manage potential impacts on hunting and gathering. To improve stakeholder relations, Red Dog partnered with representatives of the NANA's Northwest Arctic Leadership Team to facilitate delivery of the Building Common Ground dialogue training, a program designed for community-based personnel to enhance participatory community development and dialogue.

Understanding the social, economic and health context of the locations in which we operate helps us manage the effects of our activities on COIs. By the end of 2013, the majority of our operations and resource development projects had completed social baseline studies, social impact assessments and social risk assessments. The data gathered in these processes allows us to improve our management of impacts and risks, plan and prioritize engagement activities, and facilitate the creation of sustainable benefits for communities.

Table 5 shows actual and potential impacts identified through our assessment processes or ongoing community engagement, and our management approach to addressing impacts.

Our Elk Valley steelmaking coal operations performed a valley-wide social baseline study that has helped us to understand the cumulative social impacts related to demographics, socio-economic indicators and infrastructure considerations within the same area of influence of five of our steelmaking coal mines. This data allows us to better assess our impacts and to develop appropriate valley-wide management and mitigation plans. See below for more information.

### Taking Action in the Elk Valley: Balancing Impacts and Increasing Benefits

Our five steelmaking coal operations in the Elk Valley completed a social baseline and began an impact assessment in 2013. The findings have already begun to direct our efforts and activities to manage our social impacts and guide our business planning.

A key finding from the assessment identified that more than 1,000 employees will be retiring in the Elk Valley in the next five years. To plan for this, we considered the potential demographics of a replacement workforce, of which women are a primary component. As a result, we identified barriers to hiring more women, one being the lack of child care spaces in the Elk Valley.

The root causes of this shortage appear to include difficulty in recruiting and retaining qualified Early Childhood Educators (ECEs), due to low wages and benefits. In addition, with no professional development training nearby, current ECEs struggle to upgrade and even maintain their certification. We have helped to launch a child care task force to provide short- and long-term solutions, and we are looking at opportunities to work together with local, provincial and federal governments, child care resource organizations, businesses, other employers and the local college.

Table 5

**Actual and Potential Impacts from our Activities**

Actual or Potential Impacts on Communities from our Activities	Site(s)	Our Approach to Addressing These Impacts
Environmental: Perceived risks to drinking water from mine water discharge	Red Dog Operations	Engaging with COIs about Teck’s water stewardship activities, participatory monitoring with COIs and Subsistence Committee members, and communicating those results to raise awareness that discharges to rivers meet water quality standards and are protective of human health
Socio-economic: Increase in demand for accommodation and lack of supply has led to affordable housing challenges.	Steelmaking coal operations in the Elk Valley of British Columbia	Facilitating a housing study that highlights the need for additional affordable housing and is an input into the local government’s Official Community Plan; we are also continuing existing employee housing initiatives
Environmental: Potential impacts on aquatic or human health from selenium levels	Steelmaking coal operations in the Elk Valley of British Columbia	Engaging with several COIs, ranging from public consultation to active participation in the development of an Elk Valley Water Quality Plan; see the case study on page 73 for more information
Environmental/socio-economic: Actual and potential impacts on traditional livelihoods due to dust from the operations	Highland Valley Copper Operations	Initiating a study, together with local Nlaka’pamux communities, to evaluate the presence and extent of dust from the operation, and developing a plan to assess the potential effects on traditional foods
Environmental/socio-economic: Actual and potential impacts on agricultural livelihoods and community well-being due to dust from blasting	Carmen de Andacollo Operations	Adding new monitoring stations around the operation; implementing advanced weather monitoring systems and developing new procedures to reduce the possibility of dusting caused by blasting
Economic/human rights: Balancing land use and access with the right to a livelihood from artisanal and small-scale mining (ASM)	Carmen de Andacollo and Quebrada Blanca operations, and the Relincho resource development project	Supporting artisanal and small-scale miners within Carmen de Andacollo’s property by working with regional government and local unions to provide lease agreements and safety inspections to the ASMs
Cultural: Impacts on Indigenous cultural heritage, such as archeological finds or access to sacred sites	Exploration Canada	Engaging with miners to assess their need for access to mineral resources on Quebrada Blanca and Relincho mine property on or near our property
	Quebrada Blanca	Working with First Nations communities at our Yukon exploration sites to identify potential cultural heritage and archeological impacts  Working with communities to address interests and concerns, including minimizing potential impacts on cultural heritage and the environment by conducting pre-drill cultural surveys and post-drill reclamation site visits  Continuing to develop archeological chance find procedures and ensuring that practices are in place to address cultural concerns
Environmental: Impacts on water sources, such as contamination risk, due to our exploration activities	Quebrada Blanca	Working with Indigenous communities to identify potential cultural heritage and archeological impacts associated with field work for the Quebrada Blanca Phase 2 Project  Conducting cultural surveys, providing cultural awareness training for our contractors, active participation by our community relations staff in the work, and post-activity site visits and follow-ups with the communities are all part of our approach to build trust and involve communities in our work
	Exploration Turkey	Conducting collaborative work with local COIs to analyze and monitor water quality impacts before and after all seasonal drilling activities  Ensuring that best practices were applied at our drill sites with regards to water management; maintaining ongoing engagement and dialogue with stakeholders to build trust and share information on our activities and impact mitigation practices



## Feedback from Communities of Interest

Community feedback mechanisms provide additional opportunities for COIs to communicate with us. See pages 22–25 for more information on our approach to social management. Our feedback mechanisms are designed to enable our COIs to ask questions, express concerns and provide feedback about any area of our activities, and to receive a timely response.

We tracked over 2,000 feedback items in 2013. Common topics were related to environmental questions and concerns, our mining activities, social and community issues, land use, and employment opportunities. See Figures 19 and 20 on page 108 for data on the categories of feedback received.

COI feedback helps us to better manage actual or potential impacts of our activities across our operations or at a specific community or COI level. Tracking and classifying feedback ensures that we respond consistently and appropriately to COI concerns in a timely manner. Our aim is to resolve the issue to the satisfaction of both parties. At the end of 2013, 12 of our operations and three resource development projects had implemented feedback mechanisms.

We have been working to design feedback mechanisms appropriate to the local social context of each of our operations. For example, in response to suggestions from COIs near our Cardinal River Operations, we implemented a free text message service to allow COIs to provide feedback to our community relations staff. This was important to our COIs near Cardinal River because text messaging is affordable, takes little time and is a reliable communication method in remote Alberta communities. At Carmen de Andacollo Operations, we provided the community with access to the internet, which allows community members another means of communicating with us. See the case study on page 47 for more information.

In another example, Trail Operations improved its feedback mechanism to engage a broader range of COIs by expanding its 24-hour toll-free environmental hotline to receive all types of community feedback and by installing several feedback drop boxes throughout the community in 2013. We investigate all grievance-type feedback to determine the root cause and implement appropriate actions, and we communicate this information back to the feedback submitter in a timely manner.

On occasion, we cannot reach agreement with our COIs, and a dispute may occur. Disputes are considered significant when they cannot be resolved jointly with the complainant, are repeated or widespread, are breaches of law or company policy, are accusations related to human rights, or are related to death or serious illness. Three significant disputes arose in 2013. Two of these were related to land use and customary rights of Indigenous Peoples:

- Teck is actively engaged with an Indigenous trap-line holder regarding a perceived impact on traditional land use related to our exploration activities.
- Three local Indigenous groups initiated a regulatory hearing regarding impacts of winter exploration work at our Frontier project on their Indigenous rights. The Alberta Energy Regulator approved Teck's regulatory application for winter exploration work. Teck continues to pursue engagement with these Indigenous groups regarding their Indigenous rights and concerns regarding exploration work and project development.

In the other significant dispute a class action lawsuit was filed against Teck in Washington State in late 2013 alleging that discharges from Trail Operations have negatively impacted the health of the plaintiffs. There are a number of complex legal issues related to the certification of the class action, the jurisdiction, and the specific facts and issues alleged in the lawsuit.

## Mutually Beneficial Relationships with Indigenous Peoples

The majority of our operations are located within or adjacent to Indigenous Peoples' territories. Consequently, it is our goal to conduct innovative and collaborative work with our Indigenous communities of interest (COIs) such that they benefit from our operations in a self-defined way. For our Indigenous COIs, as with all our COIs, we are committed to maximizing opportunities and benefits and to managing the social impacts of our activities. Early and meaningful engagement is essential to building long-lasting, trusting relationships — the foundation for ensuring that our relationships with Indigenous COIs are mutually beneficial. In order to achieve this, we actively pursue the involvement of Indigenous Peoples at every stage of mineral development, from exploration through project development to closure and reclamation.

### Meaningful Engagement with Indigenous Peoples

We are developing collaborative and long-term relationships with Indigenous Peoples that recognize their unique history and allow us to contribute to their goals. We seek to understand how our activities may impact the interests and rights of Indigenous Peoples and we actively pursue the meaningful involvement of Indigenous Peoples to manage impacts and create opportunities.

We conduct our business in a manner that is respectful of Indigenous Peoples, taking into consideration their rights, interests, concerns and aspirations. We recognize that Indigenous Peoples have unique interests and

concerns related to development. Their interests include employment and procurement opportunities as well as revenue sharing from mining activities. Their concerns relate to maintaining access to traditional lands and subsistence lifestyles. As such, we are committed to respectful and constructive engagement with Indigenous Peoples who may be impacted by our activities.

We recognize the need to develop our internal capacity to engage, and we are working toward the completion of our 2015 goal of providing cultural awareness training to key staff. Highland Valley Copper Operations offers cultural awareness training to increase awareness and understanding of our relationships with Nlaka'pamux people, and over the past year we have conducted eight sessions and trained over 100 employees. See the case study on page 49 for more information.

At our operations, our resource development projects and, in some cases, our exploration projects, we support the development of traditional land use studies and other community-based traditional knowledge studies to help us better understand the interests of Indigenous Peoples and our potential impacts on those interests. For example, we supported Indigenous communities near our Quintette project to identify potential impacts on their interests, and to develop possible mitigation and accommodation measures. We integrate these considerations into our decision-making, engagement and relationship building with communities. See below for more information.

### Working with Indigenous Peoples at our Quintette Project

Over the course of a four-year-long regulatory process for our Quintette project in northeastern British Columbia, we have been enhancing our relationship with the West Moberly First Nations (WMFN) by supporting meaningful community development initiatives.

In one such example, the WMFN expressed a desire to create a way to preserve their culture. This led to our funding the creation of Storyscapes, an online database that celebrates the Nation's heritage. The database helps archive, transfer and share WMFN traditional knowledge by featuring photography, video and stories on the internet and the community's first-ever mobile application.

WMFN was particularly excited about engaging its youth about its history with the new web-based platform. In fact, the work associated with populating the site and improving it can now be a part of the community's local education curriculum. The site also allows WMFN to create awareness about their history through more modern means that will help dispel some outdated perceptions about First Nations. It also allows prospective developers to prepare for business with WMFN, saving time and energy by providing insight into their culture and providing a foundation upon which a relationship can be built.

## Recognizing and Respecting the Interests and Rights of Indigenous Peoples

We acknowledge and respect Indigenous Peoples' rights and interests as enshrined in provincial, national and international law, and we understand that the extent to which Indigenous Peoples' rights are legally recognized varies across countries. In Canada, for example, certain Indigenous Peoples' rights regarding access to land have been articulated in treaties, while other historical or traditional rights are generally not documented or clearly defined.

International law continues to shape requirements related to working with Indigenous Peoples. For example, application of International Labour Organization's Indigenous and Tribal Peoples Convention (ILO-169) in Chile continues to be defined by government and the courts, the outcomes of which will inform our engagement and consultation efforts.

Consultation can play an important role in regulatory approval processes and project development. As required by international conventions and domestic law, many governments have various duties to consult with Indigenous Peoples. In certain situations, some or all aspects of consultation activities may be delegated to us. When our activities have the potential to affect Indigenous Peoples' rights or traditional access to land, we seek opportunities for meaningful consultation to provide information on our activities, to understand their interests and to develop accommodation measures to address impacts on those interests.

Through our involvement in the International Council on Mining and Metals (ICMM), we are participating in the development of best practices in this area. In 2013, ICMM released an Indigenous Peoples and Mining Position Statement that includes a position on free, prior and informed consent (FPIC). The position statement commits its members, commencing no later than 2015, to work to obtain the consent of Indigenous Peoples for new projects. The position statement uses the definition of Indigenous Peoples from Article 1 of ILO-169. We continue to be committed to respectful and constructive engagement with Indigenous Peoples whose cultural heritage or Indigenous rights may be affected by our activities.

### Facilitating Indigenous Peoples' Involvement in Regulatory Processes

Indigenous communities often face challenges participating in regulatory processes for resource development projects near or within their traditional territories. Barriers to participation can include a lack of financial and human resources to adequately review proposed project materials and fully understand potential impacts on their communities.

We have a commitment to engage in meaningful consultation with Indigenous Peoples potentially impacted by our projects. In keeping with this commitment, we work to facilitate the involvement of Indigenous Peoples in regulatory processes. For example, we provided support for the First Nations Independent Technical Review of our Quintette project's suite of regulatory applications in 2012. This enabled five Indigenous communities near our Quintette project, located in northeast British Columbia, to hire external consultants and work with them to identify potential impacts on their interests. For permitting associated with Quebrada Blanca Operations, we provided funding to the Indigenous community of Matilla to enable their review of our environmental impact assessment. In addition, we are working collaboratively with the Ktunaxa Nation in the development of the Elk Valley Water Quality Plan (EVWQP) and we have provided funding for their consultants to participate in the Technical Advisory Committee, which provides science-based advice for the EVWQP.

### Agreements with Indigenous Peoples

Agreements provide an opportunity to formalize relationships, establish mutual interests and develop robust processes for ongoing engagement. They also provide processes to work through grievances and other challenges, and help to fulfill our commitment to improving community well-being in self-defined ways while gaining the broad support of Indigenous communities.

Building constructive relationships with Indigenous Peoples as well as pursuing understanding and shared commitments through agreements have become increasingly important in our activities. Negotiations to reach an agreement can take considerable time, and there must be a shared understanding of the expectations of both parties. Although we recognize that agreements are important milestones, the relationship itself is the true indicator of success.

During 2013 we concluded negotiations of a comprehensive agreement with the Nlaka'pamux First Nation at Highland Valley Copper Operations and agreements with the West Moberly First Nations and Sauteau First Nations at our Quintette resource development project. In 2013, there were no significant disputes under our existing agreements or through our formal grievance mechanisms.

Out of our operations, 11 are located within or adjacent to Indigenous Peoples' territories (Table 6). Eight have formal agreements in place with Indigenous Peoples. Of the remaining three operations, Pend Oreille Operations does not have an agreement in place. Trail Operations continues regular engagement with several Indigenous groups, including discussions as to the need for formal agreements. At Quebrada Blanca Operations, discussions on agreements are underway.

Table 6

**Formal Agreements in Place with Indigenous Groups at our Operations**

<b>Operation Within or Adjacent to Indigenous Peoples' Territory</b>	<b>Name of Indigenous Group(s)</b>	<b>Formal Agreements with Indigenous Group(s)</b>
Cardinal River	Alexis Nakota Sioux Nation	Impact Benefit Agreement
	Mountain Cree	Working protocol agreement (in development)
Steelmaking Coal Operations, Elk Valley	Ktunaxa Nation	Impact benefit agreement (in negotiation)
	Shuswap Indian Band	Memorandum of understanding
Highland Valley Copper	Nlaka'pamux First Nation	Impact benefit agreements (one in place; two in negotiation)
	Secwepemc First Nation	None
Pend Oreille	Kalispel Tribe of Indians	None
Red Dog	Iñupiat of Northwest Alaska	Operating agreement
Trail Operations	Ktunaxa Nation	The need for agreements is currently being discussed
	Okanagan Nation Alliance	
	Shuswap Indian Band	
Quebrada Blanca and Quebrada Blanca Phase 2 Project	Several Indigenous communities, groups and associations	Agreements (in development)
Duck Pond	None	None



Pictured above: Herbert Cleveland, Heavy Duty Mechanic at Red Dog Operations



## Respecting Human Rights

The mining industry has the potential to impact human rights, both positively and negatively. We are committed to supporting the fundamental principles of human rights, including the United Nations Guiding Principles on Business and Human Rights (UNGPs). These provide a framework for companies to understand their responsibilities for respecting and managing human rights risks and potential infringements.

As members of the United Nations Global Compact (UNGC), we are committed to implementing the UNGPs and are working towards this by building policies, processes and practices that will enable us to assess and manage our effect on human rights. In 2012, we adopted a corporate-wide Human Rights Policy. In 2013, we formed an internal Human Rights Working Group whose mandate was to set the direction and goals for human rights assessments (HRAs) across our sites. We also completed two pilot HRAs at our Carmen de Andacollo Operation in Chile and at our Frontier resource development project in Alberta. The process learnings from these pilots are being used to inform future HRAs for our sites. Table 20 on page 109 shows our 2013 progress towards implementing the UNGC goals.

We are working to incorporate human rights criteria into our project approval process. This ensures that human rights considerations are made in the evaluation of, and the decision-making around, new projects and

investments. The ability to conduct ongoing assessments of human rights risks and opportunities and to measure our performance will allow us to identify priority issues and develop a consistent management approach.

### Risk Assessments

As part of our regular risk processes, we conduct risk assessments for human rights and other social risks for each jurisdiction in which we operate. These assessments have found that the majority of our operations and projects located in Canada, the United States and Chile are in politically stable countries with lower risks for human rights violations. Peru, the location of our joint-venture asset, the Antamina mine, was assessed as an area of moderate human rights risk. Some of our exploration and other business activities are conducted in countries such as China, Indonesia, Mexico, Mongolia, Turkey and the Philippines, where there are higher human rights risks.

We systematically assess issues and risks on a country-by-country basis. Our assessments include the evaluation of aspects including political, social, regulatory, security and health risks. Social risks can include human rights, labour rights and conditions, including the right to freedom of association and the right to work, and forced and/or child labour.

## Human Rights Assessments at Carmen de Andacollo Operations and our Frontier Project

We piloted a site-level human rights assessment (HRA) tool at our Carmen de Andacollo Operations in Chile and at our Frontier project in the Athabasca oil sands region of Alberta in 2013. HRAs are designed to identify and analyze where our activities have the possibility of infringing or enhancing human rights for our communities of interest, including employees and local communities.

At Carmen de Andacollo, as a result of the HRA findings and recommendations, we implemented several actions, including the creation of Participatory Monitoring Boards to develop contingency plans to address water accessibility and the development and implementation of anti-discrimination and anti-harassment policies.

At our Frontier Project, as a result of the HRA, we identified three key activities: training for security contractors on human rights risks and management, conducting human rights compliance audits of agencies that provide us with migrant and temporary labour, and integrating health awareness programs into the onboarding process for new employees.

Through the HRA pilot process and development of our Human Rights Policy, we have determined an approach to identifying and managing human rights risks more broadly at Teck. The pilot process also demonstrated opportunities to further enhance Human Rights for our employees and communities, and expanded internal awareness and knowledge of human rights issues. We have also strengthened relationships with key external stakeholders by demonstrating our commitment to human rights.



People living and working in remote communities often have limited access to health care, emergency services and education. Many of Teck's operations are located near remote communities, including our Carmen de Andacollo Operations, which is next to Andacollo, a small Chilean community located 470 kilometres north of Santiago. As part of our ongoing community development work, Teck identified that providing access to health, educational and emergency services through the internet could help to improve the quality of life of people in Andacollo.

Teck worked closely with the Andacollo municipality to develop Andacollo Conectado, a project to connect local residents with public services through a community intranet — a website that provides password-protected access to services and resources. Teck provided financing, training and support for Andacollo Conectado, and after it launched in June 2013, we handed over administration to the municipality.

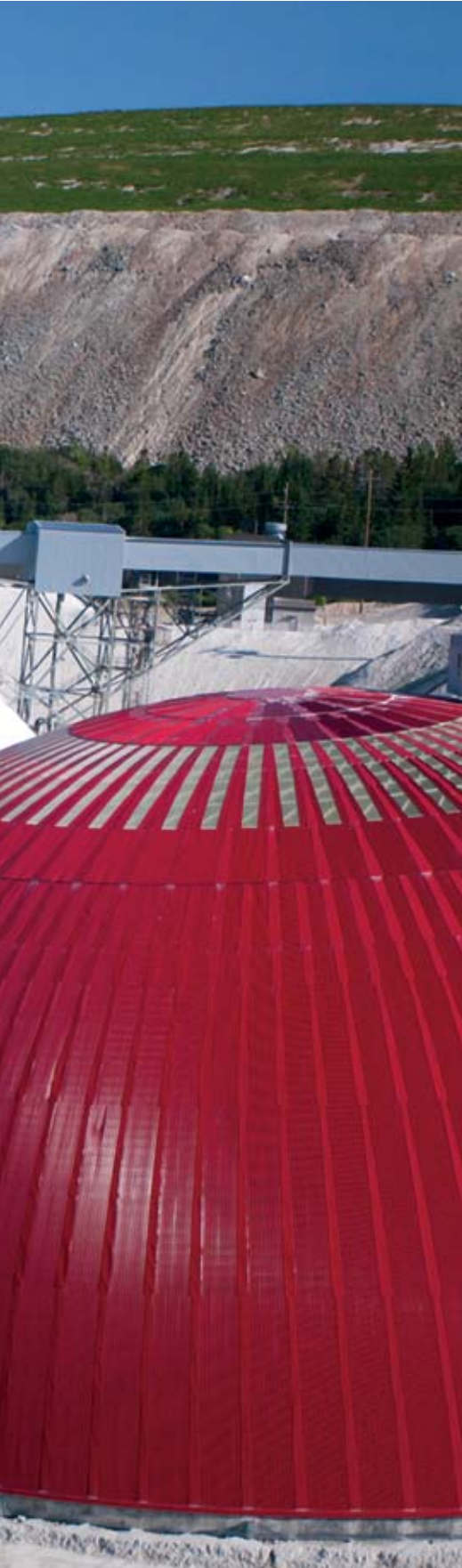
Rural schools can now access online learning tools and have permanent communication with public and emergency services. Hospitals can provide electronic

consultations and specialized medical treatment in the nearby community of Coquimbo. Citizen journalists can upload and share stories. Families can contact their loved ones in other parts of Chile or overseas. Andacollo Conectado also provides community members with another means to contact our company.

In addition to the community intranet, Teck and the Andacollo municipality installed several computers with internet access in regional communities and set up an open Wi-Fi network. Thanks to Andacollo Conectado, over 10,000 people now have access to the internet.







As a result of the steps we have taken to improve our Indigenous cultural awareness and inclusion in our recruitment and procurement practices, we have been better able to create sustainable benefits for Indigenous communities.

Our Highland Valley Copper Operations near Kamloops, British Columbia is developing programs to build meaningful relationships and incorporate the interests of the local Indigenous communities of the Nlaka'pamux Nation. These programs have set the foundation for the successful implementation of recently negotiated Impact Benefit Agreements, which include commitments to improve Nlaka'pamux inclusion in HVC's business activities.

At HVC, a lack of awareness and knowledge about Indigenous culture impacted its ability to hire and contract from Indigenous communities. To increase cultural awareness, especially among employees who interact most often with our Indigenous employees, neighbours and contractors, HVC began offering Indigenous cultural awareness sessions in 2012. This full-day session includes an overview of First Nations peoples in Canada and Canada's colonial history, including government policies that fostered assimilation at the expense of First Nations culture. This training provides employees with the knowledge to better understand how the history of First Nations peoples in Canada affects their current situations with regards to education, skills, training and literacy.

Applying people-centred frameworks and the principles of dialogue, which focus on seeing through the eyes of others, has strengthened our relationships with local First Nations peoples. The knowledge foundation provided by the cultural awareness training has also helped us work towards a model of participatory inclusion that will facilitate meaningful understanding and response to First Nations concerns.

To help increase the number of First Nations employees and suppliers, HVC modified its recruitment process for Nlaka'pamux Nation members and partnered with community agencies such as the Aboriginal Mentoring and Training Association (formerly the British Columbia Aboriginal Mine Training Association) to promote skills and training development for First Nations applicants.



# Our People



1,073

number of employees who have completed Teck's leadership development programs

**Vision:** We attract, engage and develop people whose passion, skills and motivation lead our journey to a successful and sustainable future.

### **Why is this topic important?**

People are the foundation of any successful business. Skilled, engaged and empowered employees within organizations help build value for the company, its investors and its communities of interest. In order to build this value, the health and safety of people is paramount. This is especially important for a mining company where moving large volumes of materials and working with heavy equipment are an everyday part of the job.

Companies require skilled workers to operate, maintain and expand their business. With an aging workforce, the mining industry is facing a pending labour shortage. According to the Mining Industry Human Resources Council, the Canadian mining industry's projected hiring requirements will exceed 145,000 workers over the next 10 years, representing more than half of the existing mining workforce. The hiring challenge is even greater when we consider skilled workers, where a gap of 17,000 workers is anticipated over the same time frame.

### **What does this focus area mean for Teck?**

Safety incidents have the potential to result in injuries that can cause significant harm, reduced quality of life or loss of life. Strong safety performance can have a positive impact on employee morale, recruitment and retention. Safety is our core value and we are building a workplace where all levels of employees and contractors are empowered to be safety leaders who help create and sustain a culture of safety.

Skilled workers are fundamental to running our business. Risks associated with worker shortage include operational delays, increased risk for safety incidents, reduced production and increased costs. Over one-third of our current North American workforce is over the age of 50 and we estimate that over 150 of our current front-line leaders will retire in the next five years. We need to both accelerate the development of our current workforce and attract new talent to replace our retiring employees and fill new positions. Considering an anticipated skilled worker shortage, this also means

expanding the scope of our search practices to include non-traditional workers.

### **Why is this important to our communities of interest (COIs)?**

Our people are at the centre of everything we do and their decisions and actions affect all of our COIs. Therefore, ensuring that we are able to attract, engage and develop the best talent is key to meeting COI expectations. These expectations range from employment opportunities to our safety performance, environmental management and the generation of shareholder value.

### **What is our approach?**

Our approach begins with providing a safe and healthy work environment. Our safety strategy balances three primary pillars to continually improve our health and safety performance.

These pillars include: (1) a values-based approach to safety that is focused on each individual's role in creating a safe workplace; (2) being a learning organization that learns from high-potential incidents, implements training and development in safety, and learns from best practices in the industry; and (3) operating with excellence in health and safety by implementing technical programs to continually improve our safety performance.

We also focus on being a globally trusted company that is recognized as an employer of choice. Our goal is to provide rewarding careers and employee development opportunities that allow us to attract and retain the best people. Our human resources (HR) strategy focuses on: (1) attracting the right people, with the right skills when needed; (2) ensuring that our people are fully engaged and have the capacity, competency and opportunity to grow individually and contribute to our success; and (3) building HR capability in order to ensure that we have the right skills and tools to support the needs of the business.



## 2013 Highlights

- Achieved our safest year ever, attaining a 26% lower lost-time injury frequency over 2012 and reducing our total reportable injury frequency by 5.6%
- Increased the amount of women in operational or technical roles by 57% since 2010
- Continued to deliver leadership development programs for employees
- Increased participation to 92% of eligible employees in Building Strength With People, our performance development program

## Safety

The safety of our people is paramount. We have a three-pillar approach that drives continual improvement and supports our vision of everyone going home safe and healthy every day: embedding a culture of safety, learning from high-potential incidents and sharing best practices, and operating with excellence.

### Building a Culture of Safety

A culture of safety is the foundation of a values-based organization that builds commitment to and leadership in safety for every employee and contractor. We have developed the Courageous Safety Leadership (CSL) principles and the Visible, Felt Leadership (VFL) program to foster a culture of safety at Teck.

CSL is a safety philosophy that reinforces our values, beliefs and attitudes towards safety, and outlines the commitment we must make to instill a true culture of safety. It empowers every employee to be a safety leader and to play an active role in their own safety, as well as the safety of those around them. CSL began with a company-wide rollout in 2009 of a full-day CSL training program. This was followed by CSL: Phase II, a monthly series of safety-focused videos showcasing best practices in safety and lessons learned. In 2012 and 2013, we developed and rolled out CSL: Phase III Next Steps, a training session that reinforces CSL concepts. Our long-term commitment to CSL continues; throughout 2013, we delivered CSL training to all new employees, creating a foundation that embeds the value of safety in every employee. More than 16,000 employees and contractors have participated in CSL training since the program began.

We have seen improvement in our safety performance since its launch, with 2013 being our safest year on record in terms of total recordable injury frequency. While we have made progress, there are always challenges in building our culture of safety and ensuring continual improvement. Some of the challenges that persist include complacency, not speaking up to address

safety issues, and the normalization of deviance, which occurs when unsafe practices become routine. It is for these reasons that we remain focused on CSL and committed to creating a values-based company.

VFL is designed to demonstrate strong management commitment to safety by having management actively engage in meaningful safety discussions with employees and contractors in the field to reinforce our safety principles and expectations.

Despite our progress in safety, we are deeply saddened to report that on March 16, 2014, an incident occurred at our Coal Mountain Operations in southeastern British Columbia that took the life of Miles Lorenz, a serviceman and a long-time employee. This was a tragic incident and we extend our deepest sympathies to Miles' family, friends and co-workers. The loss of Miles is a critical reminder of the need to constantly improve our management of safety hazards and risks at all levels of our organization. We have comprehensively investigated this incident and are implementing actions to prevent a reoccurrence.

### Becoming a Learning Organization

We foster a culture of continual learning and improvement in safety performance by learning from high-potential incidents (HPIs), sharing best practices in safety through employee training and development, and participating with our peers in mine safety working groups, including the Mining Safety Roundtable and the International Council on Mining and Metals' Health and Safety Program Committee.

In 2013, we focused on developing a consistent, company-wide approach to investigating high-potential incidents, learning from those incidents, and sharing best practices to prevent future occurrences. To this end, we are training employees in the Incident Cause Analysis Method for identifying the root causes of HPIs. See the next page for more information.

## Using the Incident Cause Analysis Method to Investigate Incidents and Prevent Future Occurrences

We identify the root causes of incidents to help prevent them from recurring. In 2008, we began tracking high-potential incidents (HPIs) and in 2012 recognized the need to standardize our process for identifying their root causes and key contributing factors. In 2013, we evaluated three incident investigation methodologies and selected the Incident Cause Analysis Method (ICAM).

ICAM involves the identification of systemic health, safety or environmental deficiencies. It outlines an investigative process and a set of tools that consider, but also look beyond, human error and examine the contributing factors leading to incidents. It also enables the development of recommendations aimed at preventing incidents from recurring.

The objectives of ICAM are to:

- Establish the facts
- Identify root causes and key contributing factors
- Review the adequacy of existing controls and procedures
- Recommend corrective actions that can reduce risk and prevent reoccurrence
- Detect organizational factors that can be analyzed to identify specific or recurring problems
- Identify and report on key learnings

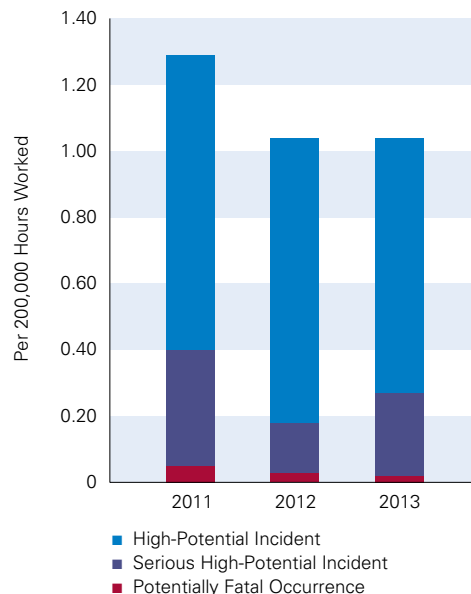
We have made a commitment to train over 950 personnel in ICAM investigation methodology. To date, we are 98% complete, with over 900 personnel trained in ICAM.

We track all safety incidents and classify significant incidents as HPIs, serious HPIs or potentially fatal occurrences (PFOs). Analyzing and learning from these incidents allows us to identify and target actions for high-risk tasks and areas. Once we identify the root causes of PFOs, our operations also conduct a gap analysis and implement corrective actions to help prevent incidents from recurring.

Over the past three years, we have seen an overall decrease in HPI frequency (Figure 8). This improvement has been driven by our focus on HPIs and PFOs, on learning from past incidents and on sharing both lessons learned and associated best practices across our company.

Figure 8

### High-Potential Incident Frequency





## Operating with Excellence in Safety

Operating with excellence in safety means that we focus on managing high-potential risks by implementing supporting systems that build on the cultural foundation of Courageous Safety Leadership (see page 52). These include the identification of fatal risks and associated

critical controls and standards, auditing, reporting on leading and lagging indicators, technological tools, and ongoing communications and training.

We continued to improve our safety performance and in 2013 had the lowest total recordable injury frequency in our history, the fewest number of serious incidents and no fatalities.

Table 7

### Safety Performance<sup>(1)(2)</sup>

	2013	2012	2011
Total Recordable Injury Frequency	<b>1.26</b>	1.33	1.45
Lost-Time Injury Frequency	<b>0.34</b>	0.46	0.50
Severity	<b>19</b>	17	21
Number of Fatalities	<b>0</b>	0	0

<sup>(1)</sup> Our safety statistics include both employees and contractors at all of our locations (operations, projects, exploration sites and offices). For sites where Teck owns more than 50%, safety statistics are weighted 100%; for sites where Teck owns 50% or less, safety statistics are weighted according to Teck's ownership of the operation. This includes the Antamina mine, in which we have a 22.5% interest. We define incidents according to the requirements of the U.S. Department of Labor's Mine Safety and Health Administration. Frequencies are based on 200,000 hours worked. Severity is calculated as the number of days missed due to lost-time injuries per 200,000 hours worked. New information or a reclassification of injuries may cause a change in historical data.

<sup>(2)</sup> See our Glossary on pages 119–121 for definitions of these safety indicators.

## Update on our Random Drug and Alcohol Testing Policy in British Columbia and Alberta

In 2012, we reported on the implementation of random drug and alcohol testing at our steelmaking coal operations in Canada. We take our obligation to provide the safest possible workplace very seriously and we believe that random testing has a significant deterrent effect — which cannot be achieved by post-incident testing — and will help prevent potentially serious safety incidents from occurring on-site.

Research has shown that, even when used during non-work hours, the lingering effects on the body of drug and alcohol use can affect at-work performance and impair judgment, thereby putting everyone's safety at risk. Random testing also allows us to offer employees who test positive on a random test the opportunity to seek treatment paid for by Teck as a condition of retaining employment. We respect the privacy of our employees and we believe that our approach represents a fair balance between privacy rights and the rights of workers to a safe workplace.

Since we began random testing, unions representing workers at our steelmaking coal operations in the Elk Valley of southeastern British Columbia and at our Cardinal River Operations near Hinton, Alberta, have filed grievances against our policy, including applying for an interim injunction in B.C. to suspend random testing pending arbitration. This injunction was denied by an arbitrator, as was the subsequent appeal. Random testing continues, as does the arbitration process at both operations.

## Occupational Health and Employee Wellness

The health and wellness of our employees is an important aspect of ensuring that everyone goes home safe and healthy every day.

The occupational health systems and procedures at our operations help prevent occupational illness. They are designed to limit worker exposure to harmful substances and other sources of occupationally related illness or disease. These include exposures to dust, noise, vibration, and hazardous materials. Where appropriate, our operations have education, training, counselling, prevention and risk-control programs, as well as committees for managing and minimizing potential occupational exposures and diseases. We will continue to develop our occupational hygiene strategy to identify and minimize employee and contractor exposure to chemical, physical and biological health hazards.

In 2013, we developed a company-wide Health and Wellness strategy that focuses on improving physical and mental well-being. The program brings together initiatives and resources across the company and builds on work already underway at sites and offices.

For instance, in 2013 we implemented the Know Your Numbers clinic, a voluntary health testing program. The importance of this program was highlighted when early detection through these clinics identified serious health conditions for two Line Creek Operations employees. Learn more about this story below, and see our case study on page 65 to learn more about a sleep management video series that we developed as part of our health and wellness strategy.

## Teck's Health and Wellness Program Saves Lives

We know that staying healthy day-to-day can be a challenge. We have launched a comprehensive Health and Wellness program to bring health and wellness initiatives together with resources across the company, to create a means for sharing best practices and, above all, to ensure that everyone goes home safe and healthy every day.

One of our most successful initiatives to date is the Know Your Numbers campaign, a voluntary health testing program to help employees identify potential health concerns. Know Your Numbers clinics provide free cardiovascular health screening that measures several indicators, including blood pressure, cholesterol, casual glucose and body mass index.

When the campaign launched in 2012, over 400 employees participated. In 2013, the number of participants rose to more than 800 across five sites. The benefits of these standard health tests can be significant; early detection through the clinics identified serious health conditions for two employees, Jerry Diederich, Senior Foreman, Mine Operations, and Roger Phillips, Serviceman, Mine Maintenance, both at our Line Creek Operations in the Elk Valley of British Columbia.

It was a typical day for Jerry when he was called to the clinic. When the nurse took his blood pressure, she saw that it was very high and he was encouraged to see a doctor. Nine days later, he suffered chest pain and linked this with the knowledge he received during his health screening. This prompted Jerry to go to the Emergency Room where he was diagnosed with a blocked artery. "I'm lucky we caught it in time, so we can turn it around," said Jerry.

Roger was screened by the same nurse, who after taking his blood pressure, told him to go the hospital immediately. Further testing revealed that Roger needed emergency surgery. He had a grapefruit-sized aneurysm on his abdominal aorta. "The aneurysm was on the verge of exploding," said Roger. "If it had burst, I wouldn't be standing here today."

In 2014, we will continue running Know Your Numbers clinics throughout the company.

## Our Global Workforce Profile

At the end of 2013, there were approximately 10,900 employees<sup>3</sup> working at Teck-operated mining and metallurgical operations and offices. Tables 8–10

and Figures 9–11 present data on our workforce broken down by age, gender, geographic location and employment level.

Table 8

### Global Workforce by Site (as at year-end)

Business Unit	Operation	2013	2012	2011
Coal	Cardinal River Operations	419	458	448
	Coal Mountain Operations	325	323	318
	Elkview Operations	1,108	1,069	957
	Fording River Operations	1,202	1,188	1,171
	Greenhills Operations	600	593	581
	Line Creek Operations	509	507	468
	Quintette Project	89	52	19
	Coal Other <sup>(1)</sup>	306	283	252
Copper	Carmen de Andacollo Operations	847	822	821
	Duck Pond Operations	283	281	267
	Highland Valley Copper Operations	1,381	1,306	1,243
	Quebrada Blanca Operations	681	772	932
	Chile Other <sup>(2)</sup>	138	117	80
	Copper Projects	45	58	3
Zinc	Pend Oreille Operations	80	79	62
	Red Dog Operations	459	446	456
	Trail Operations	1,544	1,587	1,566
	Anchorage Office	9	8	7
Energy	Energy Business Unit	39	27	18
Other	Corporate	459	413	373
	Exploration	236	252	231
	Technology	139	137	140
Grand Total		10,898	10,778	10,413

<sup>(1)</sup> Coal Other includes personnel at Westshore Terminals and those supporting the coal business unit in offices throughout the world.

<sup>(2)</sup> Chile Other includes personnel working in the Chile Corporate and Carmen de Andacollo Administration.

<sup>3</sup>Historical human resources-related data throughout this report has been restated due to continual enhancement of human resource reporting systems to improve data integrity and the implementation of standard definitions.

Figure 9

**Global Workforce by Employment Level**  
(percentage as at year-end 2013)

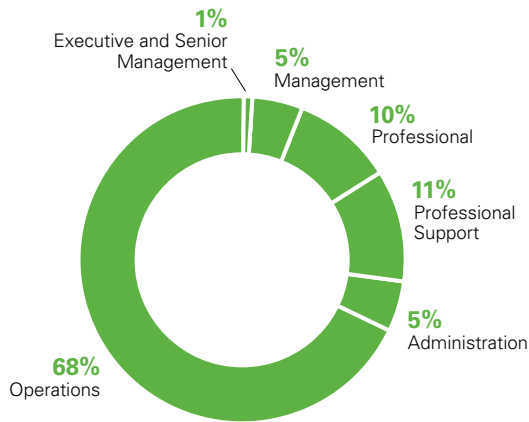


Figure 10

**Global Workforce by Geographic Location**  
(percentage as at year-end 2013)

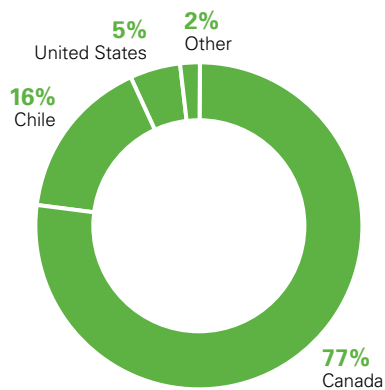


Figure 11

**Global Workforce by Age and Gender**  
(percentage as at year-end 2013)

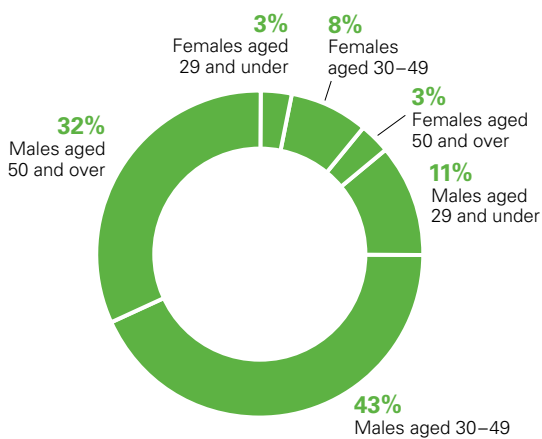


Table 9

**Global Workforce by Employment Level**  
(as at year-end)

	2013	2012	2011
Executive and Senior Management	117	112	108
Management	601	538	581
Professional	1,137	1,109	911
Professional Support	1,163	1,104	859
Administration	506	488	449
Operations	7,374	7,427	7,505
<b>Total</b>	<b>10,898</b>	10,778	10,413

Table 10

**Global Workforce by Geographic Location**  
(as at year-end)

	2013	2012	2011
Canada	8,423	8,237	7,832
Chile	1,744	1,827	1,885
U.S.	583	570	565
Other	148	144	131
<b>Total</b>	<b>10,898</b>	10,778	10,413



## Attracting, Engaging and Developing Talent

We identify our current and future skilled labour requirements by tracking and understanding our global workforce demographics, including gender, age, location, position, job category, years of service, mobility preferences, languages, skills and employment status. We are moving towards an integrated global workforce planning model that provides robust data on our existing workforce and a forecasting model to help us better understand future human capital requirements that will be essential inputs to the formation of effective employee attraction, engagement and development strategies.

In pursuit of this goal, we developed real-time dashboards that provide key human resource-related indicators such as turnover, job vacancies and disability rates, all available at a glance. This information is intended to inform decision-making and strategic human resource planning. These dashboards were implemented in our exploration group and our coal business unit in 2013, and we will develop these for other business units and functions across the company.

### Attracting Talent

Attracting skilled and motivated people is an important part of helping us achieve our long-term business goals and sustainability strategy. While the cyclical nature of the mining industry creates increased levels of worker mobility, turnover and loss of talent, the most significant

challenge within the Canadian labour market over the next 20 years will be the aging workforce. The Mining Industry Human Resources Council has indicated that 20% of the Canadian mining industry is eligible to retire within the next 3–5 years, and 6% are eligible to retire now. In 2013, 276 people retired at Teck, including 2.5% of senior operations employees and 10% of our senior leaders.

Consequently, we are increasing our efforts to attract talent. In 2013, our focus was on enhancing our employer profile. Through optimizing our careers website and launching a social media campaign, we have seen increased web traffic to the website and an increase in job applications for advertised vacancies. We also continued to partner with universities and learning institutions across Canada, the U.S. and Chile to engage and attract the next generation of industry professionals and leaders.

### Workforce Diversity

We want our workforce to reflect the diversity of the communities in which we operate. Diversity can enhance decision-making and strategic problem-solving by bringing in a range of perspectives. For us, building a diverse workforce will become increasingly important as we fill the roles left by retiring employees and address the growing skills shortage in the mining industry.



Pictured above: Renee Lerner, Executive Assistant, Environment, at Head Office in Vancouver

This will require us to hire a more diverse workforce, including women and Indigenous Peoples. See page 38 for information on Indigenous hiring.

One focus in building diversity is identifying strategies to increase the number of women in the mining industry. With approximately 70% of our employees working in operations, the greatest challenge in attracting women to these roles is changing the perception that working in mining operations is not a viable career. This includes demonstrating that women can achieve leadership positions within our company.

While we do not have a company-wide strategy to attract women to Teck, our operations are implementing site-specific actions, some of which are based on an internal survey that identified some of the challenges faced by women in our company. For example, one operation has set internal targets for females hired and has focused on identifying at least one female applicant in every applicant selection pool. In Elk Valley communities, the lack of available child care options has also been identified as a barrier to attracting women. See the next page for an example of what we are doing at Carmen de Andacollo Operations. Across the

company, we have also been reviewing job titles and policies to encourage gender neutrality. Additionally, we have reviewed our hiring practices to ensure that we are supporting female applicants.

Since 2010, we have increased the number of women in operations and technical roles by 57% (the number of women in operational or technical roles was 439, or 4.5% of the total workforce population in 2010 and 691, or 6.2% of the total workforce population in 2013). See Table 11 below for details. Operational and technical positions include: equipment operators, tradespersons, geologists, engineers, etc. This data only includes full-time active regular employees.

Having women in leadership roles, particularly at the site level, inspires other women to seek leadership positions. Since 2010, the number of women in leadership positions has doubled, from 47 in 2010 to 96 in 2013 (Table 12 on the next page). This represents 11% of women in technical or operational roles in 2010 and 14% in 2013. This increase can be attributed to many factors, including a shifting workplace culture and female participation in our leadership training and graduate business education programs.

Table 11

### Number of Women in Operational or Technical Positions

	Percentage Change Since 2010 (%)	2013	2012	2011	2010
Labourer, Operator, Loss Prevention	<b>71</b>	<b>327</b>	278	235	191
Technical	<b>40</b>	<b>183</b>	166	153	131
Engineer in Training	<b>0</b>	<b>2</b>	2	4	2
Engineer	<b>95</b>	<b>72</b>	72	49	37
Geoscience	<b>42</b>	<b>51</b>	56	48	36
Apprentice	<b>(14)</b>	<b>12</b>	11	13	14
Trade	<b>25</b>	<b>25</b>	20	19	20
Superintendent	<b>160</b>	<b>13</b>	9	7	5
Supervisor	<b>100</b>	<b>6</b>	5	5	3
Total	<b>57</b>	<b>691</b>	619	533	439
As a percentage of all employees in operational or technical roles (%)	<b>36</b>	<b>6.2</b>	5.6	4.9	4.5

Table 12

**Number of Women in Operational or Technical Leadership Positions**

	Percentage Change Since 2010 (%)	2013	2012	2011	2010
Number of women in operational or technical leadership positions	<b>104</b>	<b>96</b>	78	67	47
Percentage of women in operational or technical leadership positions (%)	<b>30</b>	<b>13.9</b>	12.6	12.6	10.7

### Expanding Opportunities for Women at Carmen de Andacollo Operations

A diverse workforce is a strong workforce, and one of the ways that we are building strength through diversity is by increasing the number of women — a traditionally under-represented demographic in mining — in our workforce. In 2008, our Carmen de Andacollo (CdA) operations in Chile began retraining a group of cleaning staff, mostly women, to increase their knowledge of the mining industry, particularly with regards to concentrator and leaching processes. The goal of the program was to expand the capacity of these employees to move into operational roles at CdA. Twelve of the women working in operational roles at CdA today began their careers at Teck as members of the cleaning staff. Building gender diversity at CdA will continue to be a priority in 2014 and beyond.



Pictured above: Mariela Rojas, Mine Operator at Carmen de Andacollo Operations

Table 13

### Percentage of Women in the Workforce by Position Type

	2013 (%)	2012 (%)	2011 (%)
Executive	3	3	3
Senior Management	4	5	9
Management	14	14	12
Professional	23	23	21
Professional Support	21	21	21
Administration	55	56	63
Hourly Workforce	8	8	7

### Engaging Our People

Engaging employees and ensuring that we build positive relationships helps ensure that our people are committed to our business goals and that they are productive in their work. Engagement is also driven through fair compensation and key programs, such as recognizing our people.

#### Employee Engagement

We engage our employees through a variety of company-wide programs:

- Excellence awards, which are designed to acknowledge the outstanding achievements, leadership and innovation of our employees in the following award categories: Safety in the Workplace, Productivity and Innovation, Environment and Sustainability, Unsung Hero, and Mentor; a record 640 individual and team nominations, encompassing 994 employees, were submitted by employees in 2013 to recognize the outstanding achievements of their peers and co-workers
- Service recognition awards, which recognize service milestones achieved by employees in five-year intervals; we recognized 1,274 milestones in 2013, 554 of which were for service of 20 years or more
- Scholarships, which support the education and development of eligible employee dependents pursuing post-secondary education

#### Employee Remuneration

Our global compensation philosophy is to provide total compensation that is both externally competitive and internally equitable and that is consistent with the company's ability to pay. In all locations, our objective is to offer competitive total rewards programs that will attract and retain the calibre of employees that will help the business succeed.

Most salaried employees are also eligible to participate in the Teck Bonus Plan. This is a variable program with

payouts based on company, business unit and individual performance. Key metrics for the company and business unit performance include return on capital employed, safety and sustainability. In addition, starting in 2013, every site had sustainability as a component of site-level bonuses. Sustainability performance was measured based on the site's implementation of road maps and action plans for our biodiversity, water, energy and community focus areas.

Compensation for most hourly employees is governed by collective bargaining agreements. Hourly rates are determined regardless of gender and are based on factors such as job grade and time on the job.

#### Pension Plans

A well-designed pension plan, which is an important component of our total compensation package, also assists in talent retention. We review our plans on a regular basis to ensure that we remain competitive.

We provide both defined contribution and defined benefit plans to our full-time and part-time regular employees in Canada and the United States. We also provide defined contribution plan members with financial education training and programs to assist them in managing their retirement savings. Some of our unionized operations employees also participate in defined contribution plans. Contribution levels range from 6% to 12%. The demographics of our pension plans are shown below.

More information on our retirement benefit plans is available in our 2013 Annual Report in Note 18 to the Consolidated Financial Statements.

Table 14

#### Pension Plan Participation

	Defined Benefit		Defined Contribution	
	Active Employees	Inactive Employees <sup>(1)</sup>	Active Employees	Inactive Employees <sup>(1)</sup>
Total	4,153	5,216	4,130	856

<sup>(1)</sup>Inactive employees are retired regular employees, surviving spouses of retired regular employees, or surviving spouses of active employees who died in service.

#### Building Positive and Productive Labour and Management Relations

Building positive employee relations is a key objective for all of our operations and locations. Approximately 56% of our workforce is unionized, while the balance is covered by individual employment agreements. Unions play a role in representing workers' interests and in managing collective bargaining for improvements in areas such as wages, health and safety. Conflict in



labour relations can lead to extended periods of strikes, which can negatively impact reputation and disrupt business continuity. We fully recognize the rights of employees to freely associate and join trade unions and have embedded the principle in our Health, Safety, Environment and Community Management Standards.

Whenever possible, we work collaboratively with unions to engage our hourly employees. Mining has traditionally been a heavily unionized industry, and we continue to develop and improve our relationship with unions and our unionized employees, both at the local and national levels. For example, our Inspiring Wellness and Learning Program at Trail Operations, is run as an employee-driven joint United Steelworkers and Teck initiative.

Although practice and legislation on minimum notice periods can vary considerably by jurisdiction, we ensure that our minimum notice periods meet or exceed those stipulated by applicable employment standards. Minimum notice periods may also be specified in collective agreements.

In 2013, there were no strikes or lockouts. There was one labour negotiation in April 2013 when we reached a five-year collective agreement with United Steelworkers Local 1-424 for our Quintette project. We continue to work with unions representing employees at our steelmaking coal operations on concerns related to the implementation of our drug and alcohol testing program. See page 54 for more information.

### **Non-Discrimination**

We require a work environment free from discrimination, including personal and sexual harassment. Discriminatory practices are unacceptable and not tolerated, and all allegations are investigated. We are committed to the proper treatment of employees and to providing a procedure for employees to report incidents of discrimination or harassment, regardless of whether they involve a co-worker, a supervisor or any other person. We comply with all local laws that address discrimination and harassment.

In 2013, we received three allegations of discrimination through our whistle-blower hotline (see our Business Ethics section on page 19 for more information on our *Doing What's Right* program). All allegations were investigated. One allegation was determined to be unfounded; two of the incidents were substantiated and appropriate disciplinary measures were taken.

### **Developing Talent**

We develop our employees through performance and career management programs, as well as through training and leadership programs that help them gain the skills and knowledge necessary to meet their career and professional objectives.

### **Building Strength with People**

Building Strength with People is our performance management and development program that facilitates meaningful conversations between employees and their supervisors around performance, development and career goals, in order to ensure both individual and business success. In 2013, 92% of our salaried employees utilized Building Strength with People.

We conduct an annual employee survey to measure engagement and satisfaction with our performance management programs. The survey focuses on performance management, employee development and career aspirations. Results are used to improve our human resource strategies, to target areas for improvement and to communicate progress to leaders throughout the organization.

### **Leadership Development**

Every employee deserves a supervisor who is equipped with leadership skills, so our training and development programs — both company-wide and site-specific — focus on developing leadership skills in our employees, expanding the skills of managers and providing professional development opportunities.

Our Leading for the Future (LFF) program focuses on instilling essential leadership skills in our first-level supervisors, which includes foremen and team leaders. In addition, our Leading for Excellence (LFX) program equips managers with the skills necessary to maximize the potential of their teams and, in turn, our operations. To date, 993 front-line supervisors and managers, or about 60% of eligible employees, have participated in these leadership development programs. See page 64 for a preview of an LFF project.

Our Emerging Leaders Program (ELP) is designed to accelerate the development of leaders who have the potential to move into senior leadership positions. The four objectives of the program are to broaden the understanding and knowledge of the mining business, deepen understanding and commitment to business strategies, build relationships across the organization and enhance overall leadership capabilities. To date, 80 employees have participated in the ELP program and, as a result, over 90% of them have expanded their leadership responsibilities.

In partnership with Simon Fraser University, our Business Education Program allows employees the opportunity to enhance their education by attaining a Master of Business Administration and/or a Graduate Diploma in Business Administration. We encourage our employees to access all educational advancement opportunities offered through Teck.



Pictured above: Mike Enefer, Heavy Duty Mechanic, provides instruction to Apprentice Heavy Duty Mechanic Kellan Luke at Fording River Operations.

## Developing our Managers

We identify our future leaders and work with them to develop their talent and to reach their full potential through leadership development programs.

In our Leading for the Future program, participants are asked to complete an Action Learning Project, where they practice the leadership skills and tools they learned in the program and apply them to a real issue or opportunity at their location. Topics have included everything from strengthening a strained relationship through better communication skills to using newfound confidence and influence to make process improvements or innovations within the operations.

In a number of instances, using these new leadership competencies has resulted in improvements to sustainability practices, particularly in environmental management. For example, during his Action Learning Project, Craig Neal at our Highland Valley Copper Operations set out to implement a governance strategy for Process Alarm Management. This strategy was designed to increase production, safety and environmental compliance, and to reduce process equipment damage. In another Action Learning Project, Paul Giles of our CESL Limited Research Centre worked on an initiative to assess the use of a cooling tower that would use water in a closed loop, ultimately reducing our water use.

### Succession Management

With over one-third of our North American workforce over the age of 50, well-defined succession planning and knowledge transfer is key to ensuring that we continue to have the leaders we need for the future. In 2013, Teck's integrated succession management process was rolled out across all operations. This allows us to plan and manage talent development across all locations and to mitigate succession risks for critical positions throughout Teck.

### Global Mobility

Currently, there are close to 50 employees on international assignments around the world. We provide opportunities for employees to participate in both domestic and international rotations as part of investing in their leadership and skills development. In 2013, we developed an International Assignment Policy to increase the consistency of our international and domestic mobility processes. International assignments allow us to meet our strategic goals while advancing the career development of our employees by enhancing their skills and experiences.

### Employee Turnover

Employee retention continues to be a challenge across our industry, as many companies and industries compete for the same talent pool. We track employee turnover, including voluntary resignations, involuntary layoffs and retirements. Tables 21–24 on pages 109–111 outline voluntary and total turnover numbers and rates by gender and age group across the regions in which we operate.

We monitor voluntary turnover to specifically track the loss of employees that we may have been able to retain. Our voluntary turnover rate in 2013 was 5%, down from 6% in 2012. Males aged 30–39 exhibit the highest rate of voluntary turnover across our company. This is due, in part, to increasing competition for these workers as baby boomers retire.

There is considerable variability in voluntary turnover across operations depending on the geography, the life of the mine and market conditions. Exit interviews with mid-career professionals indicate that the primary reason for their resignation is related to better career development opportunities elsewhere. As a result, we have re-emphasized the importance of career development conversations and introduced development as a critical component of our succession management process.

In response to challenging market conditions, we implemented a cost-reduction program in 2013 to ensure the long-term performance of our operations. Despite a number of measures such as redeployment into vacancies across the company, voluntary severance packages and early retirement, 66 employees were laid off in order to optimize operations and reduce costs. We recognize that this is challenging for the individuals involved and we have put a range of plans in place to ensure that these people were well-supported through the transition. The plans included an employee exit package that provided personal counselling, health coverage and financial compensation.





Fatigue is a serious issue for heavy industries, including mining. In addition to the obvious risks involved in operating vehicles or other heavy machinery while tired, sleep deprivation or a lack of restorative sleep — often encountered by shift workers — can result in reduced fitness for work because our ability to perform both physically and mentally is reduced. To combat that, it is important to get between seven and eight hours of sleep per 24-hour period.

Studies show that shift workers are particularly susceptible to sleep loss. Being awake at odd or irregular hours disrupts sleep patterns, resulting in fatigue that puts employees at a higher risk of experiencing “microsleeps”, where they become incapacitated for periods ranging from seconds to minutes. The onset of microsleeps can be very unpredictable and difficult to control. For this reason, they are very dangerous for employees and their colleagues working in hazardous workplaces.

To help keep our employees safe at work, we have introduced new technologies aimed at mitigating the risk of falling asleep behind the wheel, including driver-monitoring systems on light vehicles, collision-avoidance systems on shovels and increased use of fatigue-monitoring systems on haul trucks. In addition, in 2013, we broadened the awareness of this issue through the production of a three-part sleep management video series, hosted by Dean Croke, a former long-distance haul truck driver and an expert in fatigue-risk management and sleep and human performance. The videos — available on our company intranet — outline the science of sleep, behaviours that keep us

from getting good quality sleep (e.g., caffeine or a glass of wine before bed, interruptions by family) and how to get the best possible sleep (e.g., keeping distractions such as smartphones out of the bedroom, creating a relaxing bedtime ritual), especially as it relates to shift work. Dean also presented at several of our mine sites and attended Teck Family Day in Sparwood, B.C. to share his message with our employees and their families.

“Knowing how dangerous fatigue can be to a person’s well-being, and given that shift workers are so susceptible to sleep loss, is what motivated us to place such an emphasis on the importance of sleep management for our employees,” said Bob Kelly, Vice President, Health and Safety. “In addition to our use of technology in machinery and light vehicles, Dean’s video series allowed us to share important information about the science of sleep with a broader employee audience, not just those who work at mine sites where he presented.”

These efforts are increasing employee awareness of fatigue and the importance of sleep management. This is also another initiative that helps to ensure our employees go home safe and healthy every day.



# Water



5

number of times  
water is reused  
and recycled at our  
mining operations

**Vision:** We contribute to the ability of present and future generations to enjoy a balance between the social, economic, recreational and cultural benefits of water resources, within ecologically sustainable limits.



### **Why is this topic important?**

Water is essential for life and there is increasing concern around water scarcity and quality. Less than 1% of fresh water is readily accessible for human consumption, and access to fresh water has been declared a human right by the United Nations. Water is often not readily available in the quantity or quality that is needed for human activity, making the fair allocation of water an important issue in regions of water scarcity.

Mining and smelting rely heavily on water, as it is used in large volumes to process and transport minerals. The use of water in mining and smelting can also introduce potential changes in water quality, which can impact the surrounding environment when water is returned to the environment. In addition, these activities can impact other water users who rely on shared water resources.

### **What does it mean for Teck?**

Water is Teck's most material sustainability issue. We are affected by, and we can affect, the availability and quality of water. Being able to use water efficiently, maintain water quality and ensure the fair allocation of water resources is essential for us to maintain access to water. Given the global trends in water scarcity and deteriorating water quality, we are working to address key issues, including increased competition for water, restricted water use, more stringent limits on discharge water quality and quantity, increased monitoring and reporting requirements, and the development of more innovative solutions for water treatment and conservation.

We want to be a leader in water stewardship, helping to ensure our continued access to water and setting the foundation for strong relationships with communities and other water users in our areas of influence.

### **Why is this important to our communities of interest (COIs)?**

Water is essential to our COIs. Communities near our operations or with whom we share watersheds care about water quality and the environment, and about the availability of water for their livelihoods and recreation. Governments are increasingly engaged in the development and modification of water policies, and industry associations are establishing best practices for water stewardship.

### **What is our approach?**

Our approach to water management is based on three key elements: maintaining water quality, using water efficiently and collaborating with our COIs to ensure the fair allocation of water.

Our water strategy and goals are intended to position Teck as a leader in water stewardship. We are moving beyond compliance and towards collaborative water management practices that focus on sustaining and restoring water resources.

We have defined the steps needed to improve our understanding of water use and management at our operations. We focus on research and development in water innovation, we consider diverse watershed interests for every new resource development project, and we implement operation-specific water management plans and systems across our operations. We are implementing a comprehensive approach to water management and developing collaborative solutions that engage water users in water management planning on a regional or watershed scale.



## 2013 Highlights

- Established a company-wide water balance that provides a more comprehensive account of the volumes of water that flow into and out of our operations
- Completed integrated water management plans at each of our operations
- Working closely with communities, First Nations and governments to create an Elk Valley Water Quality Plan near our steelmaking coal operations in British Columbia

## Developing Integrated Water Management Plans

In 2013, each of our operations completed integrated water management plans (IWMPs) that describe how water will be managed in order to:

- Contribute to meeting our sustainability goals
- Provide direction and strategy to address water management risks and challenges
- Establish how water management infrastructure performance will be monitored and reviewed

- Determine staffing resources that are required for water management

Each plan also provides context on how an operation fits into the area watershed and its corresponding regulatory context. IWMPs will be updated in conjunction with each operation's water balance. See below for an example of how IWMPs are being used at Cardinal River Operations.

### Integrated Water Management at Cardinal River Operations

Adapting and evolving with changing priorities or targets, the integrated water management plans (IWMPs) created at each of our operations in 2013 provide an overview of water stewardship at our operations, and help us work towards our company-wide 2015 water goals.

"Integrated water management plans provide the opportunity to develop a comprehensive approach to water management, where information is centralized and where staff from various departments can collaborate in developing and implementing the plan," said Troy Jones, Director, Environmental Performance. "The creation of cross-functional water teams at each operation is the first step in this direction."

"Developing a water plan helped us document our water management strategies," said Chris Blurton, Environmental Scientist, Cardinal River Operations (CRO). "We created a plan that is accessible to everyone on-site so that we're all on the same page about our approach to water management. If you have a question about water management at Cardinal River, this plan is the first place you would look."

One of the water management strategies outlined in CRO's IWMP was to reduce the number of discharge points that cross the operation's 25-kilometre haul road in order to decrease reliance on licensed settling ponds and minimize the number of ways that water, which may have had contact with mine activities, can leave the site.

"Reducing the number of discharge points also decreases the strain placed on multiple treatment structures and improves our operational efficiency," said Blurton. "If we have fewer discharge points to monitor and maintain, a greater amount of our attention can be spent on the few that remain."

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## Protecting Water Quality

Protecting water quality is part of our sustainability strategy. We monitor the quality of water that is discharged from our operations and returned to the environment in order to ensure compliance with applicable standards, regulations and permits.

Our efforts also focus on keeping clean water clean through a water management strategy that avoids affecting water quality whenever possible.

Currently, our primary water quality focus is on managing selenium at our five steelmaking coal mines in the Elk Valley of British Columbia. Selenium is an essential element required for the health of humans and other animals. However, when it is present in elevated

concentrations, there is potential for ecosystems to be affected. For example, high levels of selenium can impact aquatic habitats and impede fish reproduction. Water quality monitoring in the rivers near our steelmaking coal mines has detected increased selenium concentrations; we continue to dedicate resources to address selenium levels, including the construction of a water treatment plant. In April 2013, the provincial government issued an Area Based Management Plan Order that calls for Teck to develop the Elk Valley Water Quality Plan to address the effects of selenium as well as other substances released by mining activities throughout the watershed and, as required, initiate mitigation strategies. The case study on page 73 gives more information on the development of this plan.

## Improving Water Efficiency

Water is an increasingly scarce resource and, as a result, we are working to ensure that we are optimizing our water use. One of the first steps towards setting water efficiency targets is to develop an understanding of our water balance, which accounts for the volumes of water that flow into and out of our operations and their associated watersheds. Our water balance consists of data on the volume of water inputs, use, reuse, recycling and outputs at each operation. It is complex, due to the variability of natural factors such as rainfall, snowmelt and the diversity of the climate where we have our operations; these factors can all affect the flows within aquifers and surface water. Understanding our water balance is the key to improving water management practices and to enabling better decision-making.

We developed site-specific water balances at all operations in 2013, allowing us to create a company-wide water balance that will serve as our baseline. The site-specific water balances, in combination with enhanced water monitoring and measuring systems, have been used within a comprehensive water accounting framework that allows us to better understand the water volumes that are managed at each operation, including the flow of water into and out of our operations by the water source and destination. Our company-wide water balance for 2013 is shown in Figure 12 on the next page.

### How to Read a Water Balance

**Water inputs:** Water that is received, extracted or managed (i.e., collected and conveyed through an operation's infrastructure). Water inputs can come from:

- Surface water
- Groundwater
- Seawater
- Third-party sources<sup>(1)</sup>

Water inputs exclude water diverted away from operational areas.

**Water use:** Water used for mining or operational processes, such as for mineral processing, cooling, dust control, or truck washing. Water use includes:

- Fresh water — water that is used for the first time
- Reused water — water that is reused without being treated between uses
- Recycled water — water that is reused and is treated prior to reuse

#### **Water discharged without use**

**Water outputs:** Water that is returned to the environment or not available for further use after it has been collected, used, treated or stored. The destination for water outputs include:

- Surface water
- Groundwater
- Seawater
- Third-party entities
- Other<sup>(2)</sup>

**Water accumulated:** The difference between water inputs and water outputs. This is indicative of the change in the stored water volume at our operations.

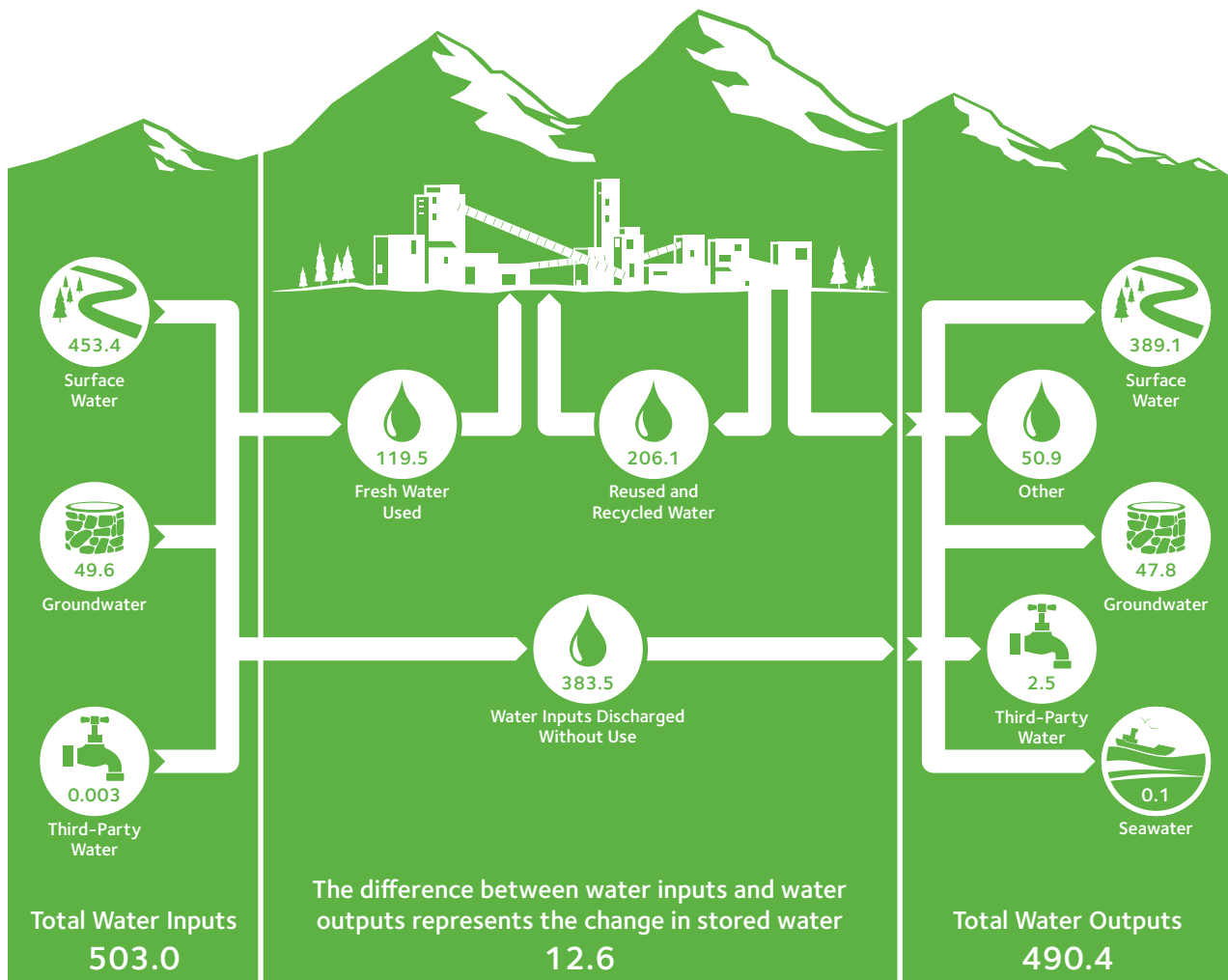
<sup>(1)</sup>Third-party water is water supplied by an entity external to the operation, such as from a municipality.

<sup>(2)</sup>Other includes water that has evaporated or is not recoverable (e.g., entrained in the ore concentrate or tailings).



Figure 12

**Company-Wide 2013 Water Balance in million cubic metres (m<sup>3</sup>)**



**Water Used, Reused and Recycled**

We used a total of 325.6 million cubic metres (m<sup>3</sup>) of water in 2013, of which 119.5 million m<sup>3</sup> was fresh water, and 206.1 million m<sup>3</sup> was reused or recycled water.

We track our water data both company-wide and for our mining operations only (excluding Trail Operations, which is our zinc and lead smelting and refining facility). Water reused and recycled, expressed as a percentage of freshwater use, was 172% across the company. At our mining operations only, this percentage was 464%. This means that our mining operations recycled and reused the same water approximately five times on average before returning that water to the environment.

Trail Operations accounts for approximately 28% of our total water use and 65% of our freshwater use. This water is primarily used for cooling purposes, meaning that it does not come into contact with chemicals or

reagents, and the only change it undergoes is a slight increase in temperature before being returned to the environment. Therefore, we track this water separately from the data for our mining operations.

**Freshwater Intensity**

We began assessing our water performance on the basis of freshwater use intensity in 2013, as shown in Table 15. Our freshwater use intensity is defined as the annual volume of freshwater used per unit of material processed for our coal, milling and flotation operations. These water metrics allow us to more consistently evaluate our water performance independent of variations in annual precipitation and ore grades. In addition, they will allow us to establish freshwater use efficiency targets that will inform water management decisions at our operations.

Table 15

**2013 Freshwater Use Intensity**

	Steelmaking Coal Operations <sup>(1)</sup>	Milling and Flotation Operations <sup>(2)</sup>
Freshwater use, in millions of cubic metres (m <sup>3</sup> )	16.2	23.5
Quantity processed or produced	39,941,000 tonnes of raw coal processed	67,357,000 tonnes of ore processed
Freshwater use intensity	0.41 m <sup>3</sup> /tonne of raw coal processed	0.35 m <sup>3</sup> /tonne of ore processed

<sup>(1)</sup> Includes Cardinal River, Coal Mountain, Elkview, Fording River, Greenhills and Line Creek operations.

<sup>(2)</sup> Includes Red Dog, Highland Valley, Duck Pond and Carmen de Andacollo operations.

For Quebrada Blanca Operations and Trail Operations, a freshwater intensity metric is not meaningful. This is because the amount of fresh water used at both operations is largely independent of the amount of material produced or processed. Therefore, we assess

our water performance at Quebrada Blanca Operations and Trail Operations based on the amount of fresh water used. In 2013, Quebrada Blanca Operations used 1.9 million m<sup>3</sup> of fresh water and Trail Operations used 78 million m<sup>3</sup> of fresh water.

## Promoting the Fair Use of Water

The fair allocation of water among users in our areas of influence is important to us and to our communities of interest. When implementing our water management practices, we consider other water users in the watersheds where we operate.

Carmen de Andacollo Operations, the Relincho resource development project, and Quebrada Blanca Operations and its associated Phase 2 project are located in water-stressed regions where the fair allocation of water is essential.

Demand for water in these regions may result in water resources becoming unavailable or more costly to utilize. This could increase operating and capital costs for water supply, or result in community concerns. Water scarcity can also lead to increased regulation and reduced water rights for mining companies. To manage these risks, we are developing and utilizing alternative water sources

such as seawater and municipal wastewater, and we are engaging with our communities of interest to collaborate with them on fair water allocation.

For example, our Quebrada Blanca and Carmen de Andacollo operations are maximizing water reuse. Only 13% of the water used is from fresh water, while the remaining 87% is recycled or reused water. This means that every cubic metre of fresh water is reused about seven times before being discharged. At our Quebrada Blanca Phase 2 and Relincho resource development projects, we are planning to use desalinated seawater in order to protect and conserve local freshwater sources for community and agricultural use. The water would be pumped from the coast via pipeline approximately 170 kilometres to Quebrada Blanca Phase 2 and 125 kilometres to Relincho.







As the operator of five steelmaking coal mines in the Elk Valley of British Columbia that employ more than 4,000 people who live in the region, fish in the rivers and enjoy the outdoors, we take water quality issues seriously.

Mining generates large quantities of waste rock that contain small quantities of naturally occurring substances such as selenium, an element that is essential for human and animal health in small amounts but that, in high enough quantities, can potentially affect aquatic health. In the spring of 2013, following an Area Based Management Plan Order issued by the Government of British Columbia, we began working collaboratively with our First Nations neighbours, local communities, non-governmental environmental organizations, various regulatory bodies and a multi-party technical advisory committee on the development of an Elk Valley Water Quality Plan. The aim of the plan is to address the impact of selenium and other substances released by mining activities, with the goal of maintaining the health of the watershed and ensuring continued sustainable mining in the region.

The process to develop this Plan — which will include establishing concentration targets and the time frames required to address levels of these substances — involved several consultation periods where interested parties were able to learn about the Plan and provide feedback through a number of channels, including a series of open houses and small-group meetings. These consultation opportunities were advertised widely through household mailers, newspaper and radio advertisements — in addition to invitations extended to our existing economic, social and community networks — to ensure we received feedback from a wide variety of individuals and groups.

Participants in attendance at these group meetings included a representative from the B.C. Ministry of Environment, an independent facilitator and a meeting recorder. At each meeting, participants were provided with a discussion guide and were encouraged to complete a feedback form. A Teck representative presented information focusing on the consultation topics, and participants were invited to ask questions and provide feedback at the meeting. Key topics for discussion included current and potential water treatment and water quality management approaches, ongoing mitigation strategies, and short-, medium- and long-term approaches to be included in the Plan.

In addition to public consultation, we are receiving science-based advice from a Technical Advisory Committee. This Committee includes representatives from B.C. and the Canadian government, Montana and the U.S. government, the Ktunaxa Nation Council, and an independent scientist.

Input received during consultation is being considered, along with technical and socio-economic information, in the development or refinement of the Plan prior to its submission to the government of British Columbia in July 2014. We continue to take action, including the construction of our first Elk Valley water treatment plant at our Line Creek Operations, as well as monitoring and extensive research and development. Our goal is to stabilize and reverse the trend of selenium and other substances to keep the watersheds near our mining operations healthy for present and future generations.

For more information on our approach to protecting water quality in the Elk Valley, please visit [www.teck.com/elkvalley](http://www.teck.com/elkvalley).



# Biodiversity



434

hectares of land  
reclaimed in 2013

**Vision:** We achieve a net positive impact on biodiversity by maintaining or re-establishing self-sustaining landscapes and ecosystems that lead to viable long-term and diverse land uses in the areas in which we operate.

### **Why is this topic important?**

Protecting and enhancing biodiversity, which is the abundance and variety of living organisms and ecosystems on the planet, is integral to sustainability. Many of the world's ecosystems are being altered and the loss of biodiversity is increasing in some regions. In addition, there is growing concern about the ability of ecosystems to continue providing essential services such as food provision, soil formation and climate regulation.

Mining activities can impact biodiversity, primarily through land disturbance, as well as through effluent discharges and emissions to the air. Mining activities such as the construction of infrastructure, the creation of waste rock storage areas and the operation of ore processing mills and open pits can change natural habitats through the clearing of vegetation, increased amounts of dust and changes in water flows or water quality.

### **What does this focus area mean for Teck?**

We work in regions that have high biodiversity value, including tropical and arctic areas, boreal forests and deserts. Some of these regions support a portion of the world's largest remaining intact areas of natural habitat. Our activities have the potential to impact biodiversity and to alter ecosystems in a significant and highly visible way. Our activities can also impair the provision of critical ecosystem services that communities rely on. It is therefore essential for us to operate in a manner that minimizes and mitigates our impacts on these areas.

We have an opportunity to demonstrate a strong commitment to protecting biodiversity by using our core competencies in environmental management to achieve a net positive impact on biodiversity, ultimately maintaining our ability to operate and to create value

for the communities where we operate and for our shareholders.

### **Why is this important to our communities of interest (COIs)?**

Communities near our operations depend on the land, plants and animals around them for their quality of life, livelihoods and leisure activities. Indigenous Peoples also rely on the land to maintain traditional ways of life. Governments and non-governmental organizations (NGOs) work to protect and conserve critical habitats and ecosystem services. Our COIs expect us to contribute to the conservation of biodiversity and to work collaboratively with them to develop integrated approaches to land use.

### **What is our approach?**

We see mining as an interim and transitional land use. Our approach is to carefully assess how our activities can impact biodiversity prior to disturbance, to develop a biodiversity baseline and to implement site-specific plans that minimize our impacts, from exploration through to closure.

We are focused on developing and implementing comprehensive biodiversity management plans (BMPs) for each of our operations. These plans are designed to implement the biodiversity mitigation hierarchy: (1) avoid impacts where possible; (2) minimize impacts that are unavoidable; (3) rehabilitate affected areas; and (4) offset any residual impacts.

We integrate biodiversity conservation considerations throughout all stages of our business activities and we put this into practice through a comprehensive environmental management system and tools. We consider COI interests through engagement and we partner with NGOs and government to contribute to biodiversity knowledge.



## 2013 Highlights

- Completed biodiversity management plans at four operations
- Purchased approximately 7,150 hectares of private lands in the Elk Valley and Flathead River Valley for wildlife and habitat conservation purposes
- Received the British Columbia Jake McDonald Annual Mine Reclamation Award for excellence in the reclamation of the Pinchi Lake Mine in British Columbia



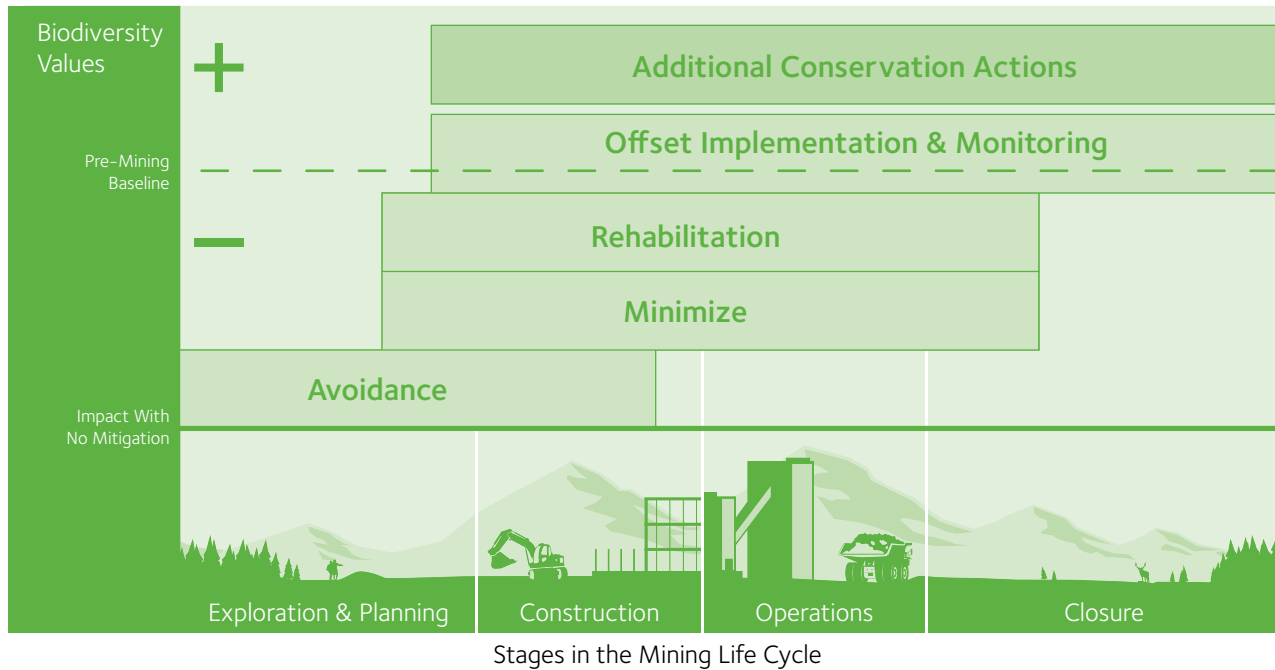
## Achieving a Net Positive Impact on Biodiversity

We implement our biodiversity mitigation hierarchy at our sites, which moves us toward our vision of achieving a net positive impact on biodiversity (Figure 13). In practice, this means that we reduce our impacts

on biodiversity through avoidance, minimization and rehabilitation. We then aim to achieve a net positive impact through the use of offsets.

Figure 13

### Implementing our Biodiversity Mitigation Hierarchy to Achieve a Net Positive Impact



## Biodiversity Mitigation Hierarchy

**Avoid impacts where possible:** Whenever possible, we avoid biodiversity impacts. There are some biodiversity features that are so important that they require a change in our plans in order to protect critical areas.

**Minimize impacts that are unavoidable:** At all times, we minimize impacts that are unavoidable, adopting best practices in mine operations in order to reduce the severity of our impacts.

**Rehabilitate affected areas:** On a progressive basis, we rehabilitate areas in order to recreate biodiversity values. Rehabilitating the land means returning it to a stable ecological state that does not contribute substantially to environmental deterioration. Reclamation practices can replace much or most of the diversity of the natural habitats that existed prior to mining.

**Offset any residual impacts:** Even with the best reclamation practices, there are limits to what can be achieved, and it may not be possible to replace all of the important biodiversity features that our mines impact. For these features, we design and implement biodiversity offsets to move towards a net positive impact on biodiversity.

Implementing our biodiversity mitigation hierarchy also requires the consideration of cumulative effects to ecosystems caused by past, present and reasonably foreseeable future activities. Assessing and managing cumulative biodiversity effects form an important part of our approach. We plan and implement protective or restorative actions based on our expected contributions to cumulative effects and we adjust our actions based on the results of ongoing monitoring and scientific studies.

Examples of actions that we have taken to avoid, minimize, rehabilitate or offset our potential impacts include:

- At Cardinal River Operations, our management and reclamation practices have resulted in positive contributions to the health of local populations of grizzly bears and bighorn sheep
- At Trail Operations, we developed and implemented a management plan for power line rights-of-way in order to avoid impacts on a sensitive habitat for bird species
- At Red Dog Operations, we have worked with Indigenous Peoples to address the overpopulation of the Arctic grayling, helping to rehabilitate the ecosystem; see page 79 for more information
- At our Quintette project, we have worked with our COIs to protect the woodland caribou; see the case study on page 81 for more information
- At our Duck Pond Operations, we have rehabilitated riverine habitat in order to compensate for the habitat loss resulting from our tailings management facility (see below for more information)

## Restoring Waterways at Duck Pond Operations

Our Duck Pond Operations in central Newfoundland uses two freshwater lakes as part of its tailings management facility. To compensate for the habitat loss resulting from the tailings management facility, a Fish Habitat Compensation Plan was created.

We have seen positive results from implementation of the plan. Since 2011, Atlantic salmon, brook trout and threespine stickleback have returned in record numbers to Harpoon Brook and East Pond Brook. Throughout the past decade, Duck Pond has rehabilitated over 107,000 square metres of riverine habitat.

Harpoon Brook and East Pond Brook are tributaries to the Exploits River, an important fish and wildlife habitat. For decades, the waterways were unusable by fish because they contained hundreds of cords of sunken pulpwood left over from logging activities dating back to the early 1900s.

During the restoration, over 30 tractor-trailer loads of submerged pulpwood and woody debris were removed from the streams, restoring the natural stream flow, washing away the accumulated sediment and making the waterways usable for salmon spawning and rearing. We also placed clean gravel patches in the stream bottom to enable salmon to spawn.

“We’ve seen a variety of fish species returning and thriving. And juvenile salmon have been observed, which is a strong indicator of successful spawning activity,” said Jill Kelly, Environmental Coordinator, Duck Pond. “In addition to fish habitat, this area is abundant in wildlife and used extensively for recreational activities. Healthy waterways are vital to all healthy ecosystems.”



## Biodiversity Management Plans

One of our 2015 sustainability goals is for each operation and advanced project to develop a comprehensive biodiversity management plan (BMP) that outlines its approach to achieving a net positive impact on biodiversity. BMPs include an inventory of a site's key biodiversity features and a plan for managing the risks that a site's activities can pose on those features. Protecting species at risk and respecting protected areas and high biodiversity areas are key considerations and inputs to our BMPs.

We consider three key questions when developing our BMPs:

- What is there — in other words, what biodiversity features exist?
- What is important — in other words, which biodiversity features have special value?

- What is the risk — in other words, how can our activities potentially affect these biodiversity features?

We monitor our activities and results, and adapt our actions as necessary.

In 2013, we developed a BMP workbook and guidance document that provides sites with the tools that they need to develop site-specific BMPs. By the end of 2013, four of our operations had BMPs in place. Our remaining operations and advanced projects are working towards completing their BMPs by collecting biodiversity information, conducting a preliminary identification of risks and existing mitigation actions, conducting gap analyses and creating work plans.

## Conserving Land in the East Kootenays

As part of our ongoing work to enhance biodiversity, we undertook a unique conservation initiative in the East Kootenay region, purchasing approximately 7,150 hectares of private lands in the Elk Valley and Flathead River Valley for \$19 million. This is one of the single biggest private sector investments in land conservation in British Columbia's history and will conserve an area over 17 times the size of Vancouver's Stanley Park. This action protects the lands for wildlife and habitat conservation purposes and demonstrates how world-class mining can facilitate world-class environmental management.

The lands that have been protected provide important habitat for numerous species, such as grizzly bear, wolverine, badger, elk, lynx, mountain goat, bighorn sheep, westslope cutthroat trout and bull trout, and hold significant cultural value for the Ktunaxa First Nation and local communities.

"This purchase is just one example of how we are acting on our commitment to have a net positive impact on biodiversity in the areas where we operate," said Marcia Smith, Senior Vice President, Sustainability and External Affairs. "Given that our five steelmaking coal mines are in the Elk Valley, this was a tremendous opportunity to put our sustainability values into practice on a large scale."

In 2014 we will work in cooperation with First Nations, local communities, conservation organizations, recreational land users and other stakeholders to determine potential management and stewardship approaches for the lands to protect key wildlife and fish habitat.



## Protecting Species at Risk

Species at risk are those animals or plants that are officially listed by governments as threatened, endangered or of special concern due to their declining populations on a provincial/state, national or global scale. The presence of species at risk near our operations can restrict our activities, increase the potential for reputational risk or introduce challenges to the permitting process.

Each of our operations has occurrences of species at risk within and adjacent to the operation. Some examples include the olive-sided flycatcher at all of our Canadian operations, whitebark pine at many of our Canadian Rockies steelmaking coal operations and the guanaco (related to the llama) at some of our Chilean sites.

When developing our biodiversity management plans, we address the protection of species at risk as well as consider those that may be more common, especially those that are highly valued due to other factors, such as subsistence use by Indigenous Peoples.

We are moving towards a proactive, systematic approach to managing biodiversity that integrates considerations for species at risk when developing and implementing our BMPs.

## Respecting Protected and High Biodiversity Areas

We respect protected and high biodiversity areas. High biodiversity areas have features that provide

essential ecosystem services relied on by humans and animals, areas with an abundance of species, or large areas of natural habitat.

Protected areas include those protected by national or regional law or designated by international organizations, including United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites and International Union for Conservation of Nature (IUCN) category Ia, Ib, II, III or IV areas<sup>4</sup>. As a member of the International Council on Mining and Metals, we are committed to not explore or develop in UNESCO World Heritage Sites. Currently, none of our operations or projects are located within areas protected by UNESCO or IUCN; however, the road between Red Dog Operations and its port facility passes through the Cape Krusenstern National Monument, an IUCN category III protected area.

Using a combination of databases to identify global conservation priorities and geographic information systems, we have identified protected areas, areas of high biodiversity value and species at risk that occur within 25 kilometres of our operations and major development projects. We determined that these characteristics exist within or adjacent to all of our operations. This information is an important input into the development of biodiversity management plans for each operation.

## Catch and Relocate Fish Program at Red Dog

Fifteen years ago, to enhance biodiversity, we stocked Red Dog's freshwater reservoir with Arctic grayling, a member of the salmon family. The grayling thrived and eventually overpopulated the reservoir.

We implemented a solution to this in collaboration with the community. In late 2012, we designed and received approval from the mine's Subsistence Committee — which is made up of Iñupiat hunters and elders from the two closest communities — and from the Alaska Department of Fish and Game to launch a program to relocate the Arctic grayling. This program lets employees catch fish from the reservoir and relocate them into Bons Creek (part of the Red Dog Creek watershed) using a fish slide that was designed and built on-site.

In the Iñupiat culture, catching and releasing fish for recreational purposes is not an accepted cultural practice. However, we were able to demonstrate that catching and relocating the grayling would be beneficial to the fish population in the reservoir and in the Red Dog Creek watershed. To ensure responsible management of the program, in 2013, the Recreation Committee created a fishing club. In order to participate in the fishing program, employees must join the club, have a current fishing licence, agree to training and abide by a set of rules, specifically to use barbless hooks and to release the fish in a timely manner into the creek using the constructed slide.

In 2013, approximately 16 employees participated in the fishing club, releasing 144 Arctic grayling into Bons Creek. As Arctic grayling can live upwards of 20 years, this relatively small number of fish will still have a significant impact on the long-term spawning population in Red Dog Creek.

<sup>4</sup>The IUCN categories are the global standard for classifying protected areas, with category Ia being the most strictly protected area (e.g., a nature reserve).

## Reclamation, Closure and Post-Closure

Through exemplary reclamation practices, we can replace much or most of the structural and compositional diversity of the natural habitats that existed before we developed our mines. As such, our reclamation activities are making a major contribution towards achieving a net positive impact on biodiversity. In addition, responsibly closing our sites and managing our dormant properties plays an important role in protecting biodiversity and the lands where mining once took place.

### Reclamation

Our activities disturb land by altering its natural features. Our practice is to progressively reclaim lands once those lands are no longer used for mining activities. For new projects, this can sometimes mean that reclamation may not occur for many decades into the future. To plan for these future reclamation obligations, we ensure that we allocate sufficient resources for reclamation in our mine budgets.

We implement world-class reclamation practices and have created an internal community of practice to share knowledge across our operations. We have also implemented research programs to help ensure that we adopt best practices. Our reclamation activities focus on conserving biodiversity and include the development of diverse wildlife habitats, annual wildlife surveys, documentation of wildlife using trail cameras, aerial seeding in mined-out pits, and the development of tracking databases to monitor rare and/or unusual wildlife sightings.

In 2013, a total area of 310 hectares (ha) was disturbed by activities at our operations, and a total area of 434 ha was reclaimed. See our Performance Overview Table on pages 100–101 for additional information.

### Closure

Closure planning focuses on responsibly ending mining operations while developing viable, long-term and appropriately diverse post-closure land uses in collaboration with our COIs. All of our operations have mine closure plans and, as part of our sustainability goals, our aim is to also include social considerations in these plans by 2015. Closure plans are developed in consultation with communities and designed to mitigate social impacts such as job losses resulting from closures.

At the closure phase, we return the remaining disturbed land to a stable state for post-mining land uses. Where applicable, we conduct activities such as:

- Removing, relocating or demolishing buildings and physical infrastructure
- Closing pits and shafts
- Stabilizing underground workings
- Managing water
- Sloping and contouring waste rock dumps as necessary
- Capping or covering and vegetating waste rock dumps and tailings impoundments

While we did not close any of our operating mines in 2013, we announced that our Duck Pond Operations will close in 2015. We are currently working with our COIs to mitigate impacts associated with that closure.

### Post-Closure Monitoring

Once our operating sites are closed, they are monitored and managed on a long-term basis to help ensure that our closure actions remain successful in achieving key objectives, which include habitat rehabilitation, public safety and water quality protection. The actions we take to ensure continued responsible closure of our mines include access controls over portions of the site, revegetation and, where required, water treatment.

In addition to monitoring sites closed in recent years, we continually assess and manage conditions at older mining and industrial operations that were operated by Teck or its predecessors. Given the more than 100-year history of our company, some of our historical properties were closed during eras when the long-term risks associated with mining and industrial sites were not well understood. Consequently, the closure methods used at these sites may not always conform to currently accepted practices.

In 2013, we developed a centralized legacy asset database for dormant and closed properties that helps us to better understand, prioritize and manage these sites. We assign priorities for assessment and management and, in many cases, we implement closure practices at these properties according to current practices. Our activities can range from large-scale remediation projects to ongoing monitoring and assessment. We conduct these activities as part of regulatory compliance, and in many cases, we go beyond compliance as part of our commitment to achieving a net positive impact on biodiversity.



Our proposed Quintette steelmaking coal mine, located in the Peace region of northeastern British Columbia, previously operated for a period of nearly 18 years, up until 2000. Since 2010, work has been conducted to prepare the site for a potential restart. The area is also home to the woodland caribou, which was designated a species at risk in Canada in 2002. The Quintette project was designed to minimize and mitigate our impact on the caribou. The creation of a caribou mitigation and monitoring plan (CMMP) was integral to this process.

The approach we took for our CMMP follows our biodiversity mitigation hierarchy. First, we take all feasible steps to avoid impacting high-value caribou habitat. Second, we plan measures to minimize our impacts, such as preventing the obstruction of caribou movement. For example, we prohibit access to areas other than approved routes. Third, we design our reclamation activities to restore functioning caribou habitat as soon as feasible, and to minimize creating ideal habitats for other ungulate species such as moose and elk, which would attract wolves and, in turn, would put caribou at risk of predation. In the plan, we also propose securing caribou habitat to offset what will be disturbed by our proposed mining operation.

From the earliest stages, the development of our CMMP incorporated review and feedback from several Treaty 8 First Nations. This made it possible for us to incorporate First Nation priorities into the plan from the very beginning. We also committed to updating the plan when new information becomes available that affects our mitigation and monitoring strategies.

In addition to our CMMP, we helped lead the way in creating a regional collaboration between area Treaty 8 First Nations, government regulators, industry colleagues and other interested parties, such as the BC Wildlife Federation, around common goals for caribou recovery. We provided funding for an independent facilitator to guide these regional groups in developing prioritized action plans based on shared information and values. This regional collaboration, known as the Peace Northern Caribou Committee, is now largely led by Treaty 8 First Nations, particularly the Sahtee and West Moberly First Nations. Together, the committee has been able to implement several on-the-ground actions to increase caribou populations, including construction of a 4-hectare enclosed area to feed female caribou and protect them against predators during calving season.

“It was Teck’s initial leadership and funding that was the germination of our group and their continued financial support of the penning project that has allowed our group to move on with the project and hopefully the rebuilding of the Klinse-Za caribou herd,” said Brian Pate, Coordinator, Peace Northern Caribou Committee.



# Energy



650

terajoules of  
cumulative  
energy reductions  
since 2011

**Vision:** We are a catalyst for introducing new energy and management systems that make a positive contribution to society's efficient use of energy.

### **Why is this topic important?**

Energy is critical for human development, including the provision of shelter, transportation, lighting, cooking, heating and refrigeration. Around the world, people depend on access to affordable energy to improve their quality of life. Global demand for energy is increasing, driven by population growth, increasing urbanization and economic development. This can result in potentially higher energy costs and, in some areas, a lack of supply. Fossil fuel combustion, which accounts for the majority of the world's energy consumption, represents the largest human-generated source of greenhouse gas (GHG) emissions.

Mining operations require large amounts of energy to produce and transport products. Energy powers mine sites by providing the electricity to run plants and equipment, producing heat and lighting for buildings, and providing the gasoline and diesel that vehicles need.

### **What does this focus area mean for Teck?**

Energy costs are one of Teck's most significant operational expenditures. As mineral resources become scarcer, it is also likely that new projects will be in remote locations, with lower grade ore that is more challenging to extract and process. These factors all suggest that mining is likely to become more energy intensive. This will make it increasingly challenging to reduce our energy intensity and GHG emissions.

The rising cost of carbon presents a key risk for us to monitor and manage. New policies and regulations aimed at reducing GHG emissions may impact our production costs and introduce other business risks. As a result, we are continually working to improve our energy efficiency

and reduce our GHG emissions. We have the opportunity to optimize our use of energy and to promote the use of renewable energies.

### **Why is this important to our communities of interest (COIs)?**

The majority of our operations are located in jurisdictions that are heavily regulated with regards to GHG emissions, energy supply and transportation. Consequently, regulators are our key COI. Their interest lies in our ability to manage and report on our energy use and emissions.

The security and reliability of energy can affect us as well as our energy suppliers. We work with our suppliers to consider alternative energy sources, investments in renewable energy projects or power purchase agreements. Other COIs are looking for us to manage our energy efficiency and reduce our GHG emissions, from both a cost reduction perspective for our shareholders and a perceived environmental impacts perspective for non-governmental organizations and special interest groups.

### **What is our approach?**

Our focus is on continually improving our energy efficiency and on supporting the increased use of alternative energy sources. Our approach to energy management is integrated with our company-wide cost reduction and business improvement programs, allowing us to identify and implement initiatives that improve our energy efficiency while also lowering our costs and improving our business processes. We also collaborate with other organizations to develop alternative energy sources and develop more energy-efficient technologies.



## 2013 Highlights

- Achieved our 2015 goal of reducing greenhouse gas emissions by 75 kilotonnes of carbon dioxide-equivalent
- Implemented additional energy reduction projects, resulting in 650 terajoules of energy reductions since 2011
- Reduced annual diesel use by 5 million litres through vehicle anti-idling programs at our mining operations in British Columbia and Alberta

## Monitoring Energy and Greenhouse Gas Performance

Energy is one of our most significant expenses. Our operations require energy for the recovery and production of minerals, metals and coal. As a result, we are focused on continually identifying opportunities to improve our energy efficiency.

### Energy Use

In 2013, we consumed a total of 45,556 terajoules (TJ) of energy (i.e., electricity and fuels), as compared to

46,993 TJ in 2012. Trends in fuel (diesel, gasoline, coal, natural gas, coke, petroleum coke and other fuels) and electricity consumption for the past three years by type are shown in Figure 14. Of our total electricity consumption, 80%, or 11,358 TJ, is hydroelectricity, a renewable energy source. In 2013, eight of our operations reduced their energy consumption.

### Energy Use at an Operation

The amount of energy used at each of our operations can vary due to three primary factors: the amount of minerals and metals that the operation produces, the nature of the processes implemented to produce the minerals and metals, and the ore grade.

Production has a direct impact on the amount of energy that we use. Generally speaking, the more we produce, the more energy we use.

The operation of the mine itself and the processes implemented at an operation also impact energy use. For example, the distances that haul trucks travel are a key determinant in their fuel usage. Mining typically begins by extracting the resources that are closest to the surface. As these resources are extracted, we must mine at increasing depths and distances. Deeper pits result in longer, uphill hauls for trucks to move materials around the mine site, increasing diesel consumption, which in turn results in greater energy consumption and GHG emissions.

Finally, the ore grade has an impact on the amount of material that must be moved and processed to produce the final product. To enhance project economics, higher grade ore is commonly processed early in the mine life, followed by lower grades in later years. Decreasing ore grades mean that greater amounts of material must be moved and processed to achieve the same quantity of final product. This combination of increased haul distances and decreasing ore grades increases the energy consumption and the GHG emissions required to produce each tonne of product over the life of a mine.

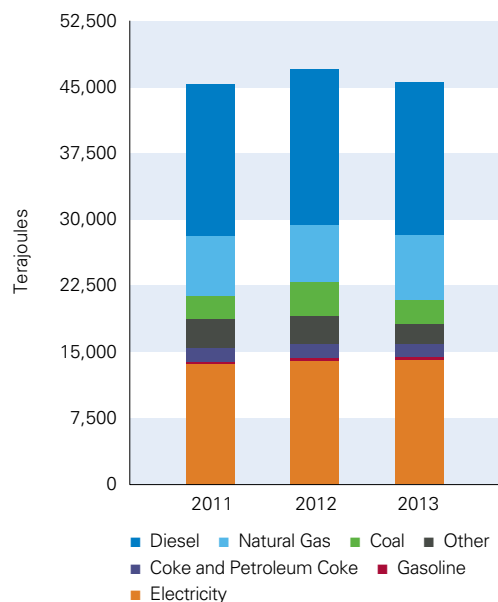
Table 16

### Primary Uses of Energy at our Operations

Fuel Type	Primary Uses
Electricity	Powers processing at our metal mines (e.g., milling) and the smelter facility at Trail Operations
Coke, Petroleum Coke, Natural Gas and Coal	Provides the primary process and combustion fuels at Trail Operations
Natural Gas and Coal	Used primarily for dewatering (i.e., drying) our coal product
Diesel	Fuels haul trucks to move material (e.g., waste rock, ore, coal)

Figure 14

### Energy Consumption by Type 2011–2013<sup>(1)</sup>



<sup>(1)</sup>Other includes propane, waste oil, fuel oils and other process fuels.

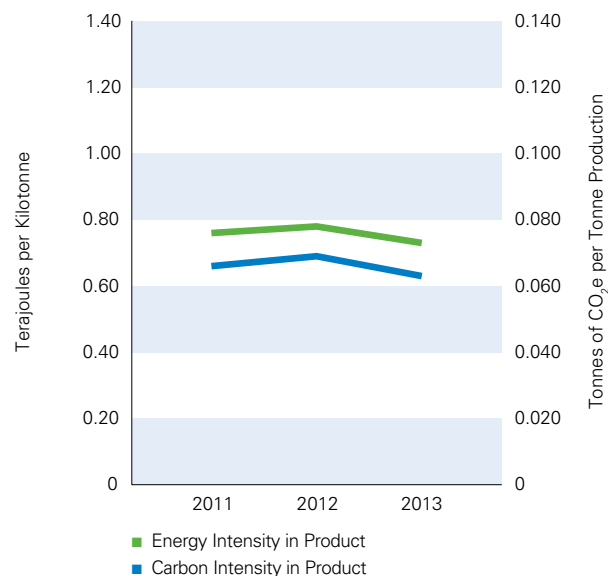
### Energy Intensity

In Figures 15, 16 and 17, we outline our energy intensity, or the amount of energy used per tonne of product, which is a measure of efficiency and helps us to better manage our performance. The variability found in the data for these figures falls within the normal parameters of mining operations.

Energy and carbon intensity for the production of steelmaking coal decreased between 2012 and 2013 (Figure 15). This change is due to productivity improvements in mining, maintenance and processing operations.

Figure 15

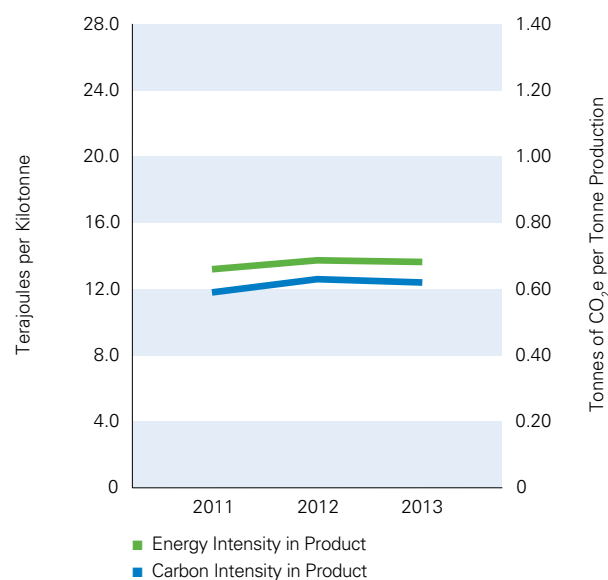
### Energy and Carbon Intensity for Steelmaking Coal Production



Energy and carbon intensity for the production of zinc and lead decreased slightly between 2012 and 2013 (Figure 16). This is attributed to increased mill throughput at Red Dog Operations and increased production at both Red Dog Operations and Trail Operations.

Figure 16

### Energy and Carbon Intensity for Zinc and Lead Production

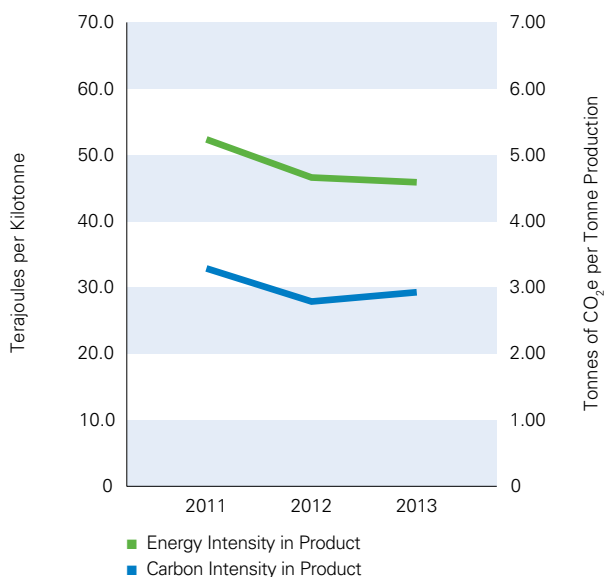




Energy intensity for the production of copper decreased slightly between 2012 and 2013 (Figure 17). While energy intensity decreased at Quebrada Blanca Operations because of reduced production due to aging plant equipment and lower ore grades, carbon intensity increased, as more energy was utilized from the Chilean electricity grid (which uses fossil fuels) than in the past. At Highland Valley Copper Operations, an energy intensity decrease was due to lower mill throughput as a result of shutdowns associated with the mill optimization project.

Figure 17

### Energy and Carbon Intensity for Copper Production



### Greenhouse Gas (GHG) Emissions

The key sources for direct GHG emissions vary significantly by operation. For example, at our steelmaking coal operations, the drying of coal, our mobile equipment and the methane gas released from coal seams during mining each account for roughly one-third of total emissions. Emissions from Trail Operations are dominated by the use of coal in the furnaces and the use of natural gas to produce steam for heating process solutions. At Red Dog Operations, the diesel used to produce electricity and fuel for mobile equipment is the key source of GHG emissions. The primary source at Highland Valley Copper Operations, which receives electricity from the grid, is the use of diesel for our mobile equipment. As such, the options for reducing emissions vary significantly across our different operations.

In 2013, our total GHG emissions as carbon dioxide-equivalent (CO<sub>2</sub>e) were 3,089 kilotonnes (kt), compared to 3,183 kt in 2012. Of those totals, our direct GHG emissions<sup>5</sup> were 2,722 kt in 2013, compared to 2,889 kt in 2012. Figure 18 shows a detailed breakdown of our emissions by fuel type. In 2013, six of our operations reduced their GHG emissions.

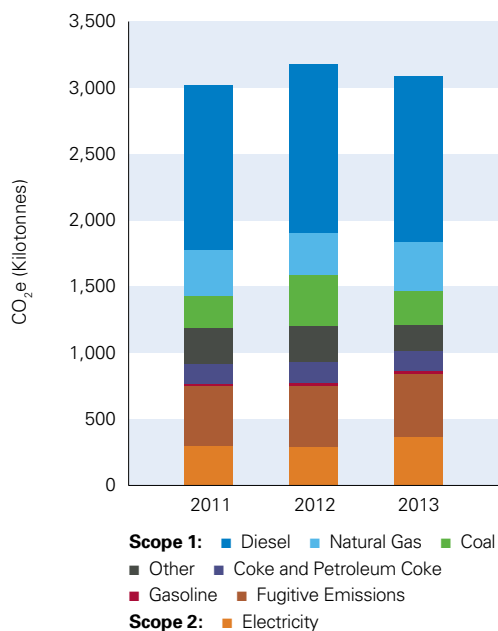
We estimate our indirect GHG emissions associated with electricity use for 2013 to be 367 kt, or approximately 12% of our total emissions. These emissions are associated primarily with our Cardinal River, Carmen de Andacollo and Quebrada Blanca operations, as their electricity power grids are heavily based on fossil fuels. Elsewhere, our indirect emissions were relatively small, as operations in British Columbia and Newfoundland obtain a significant proportion of their electricity from hydro generation.



<sup>5</sup>Fugitive emissions from our steelmaking coal operations (i.e., estimated methane release) are captured as direct emissions.

Figure 18

**GHG Emissions by Type 2011–2013<sup>(1)(2)</sup>**



<sup>(1)</sup> Scope 1 (Direct) Greenhouse Gas Emissions: Emissions that occur from energy sources that are owned or controlled by the company.

<sup>(2)</sup> Scope 2 (Indirect) Greenhouse Gas Emissions: Emissions that occur from the generation of purchased electricity consumed by the company. Scope 2 emissions physically occur at the facility where electricity is generated.

### Scope 3 Emissions

While scope 1 (direct) emissions occur from energy sources controlled by the company and scope 2 (indirect) emissions occur from electricity consumed by the company, scope 3 emissions are other emissions that arise from sources owned or controlled by other entities within our value chain. For example, scope 3 emissions include those arising from business travel by employees, the use of our products and the transportation of materials that we purchase and sell. Consequently, scope 3 emissions cover a wide spectrum. Our approach is to identify and quantify those that are material to Teck.

Our most material scope 3 emissions are from the use of our steelmaking coal product by our customers. Unlike the vast majority of coal, which is burned to generate electricity, steelmaking coal has special properties that make it a suitable input for manufacturing steel. Based on our 2013 sales volumes, scope 3 emissions from the use of our steelmaking coal are approximately 78,000 kt of CO<sub>2</sub>e.

## Implementing Energy and Greenhouse Gas Emissions Improvements

We are focused on improving our energy efficiency for both financial and environmental reasons. We established short- and long-term energy and GHG targets in 2011 as part of our sustainability goals, creating an incentive to further improve energy efficiency and reduce GHG emissions. We track energy and GHG reduction projects and have a continued focus on sharing best practices in energy management amongst our operations.

In 2013, we implemented several energy and GHG reduction projects that contribute towards our energy goals. These included installing variable-speed drive technology on ventilation and dryer fan motors, using more efficient fan designs, and using more energy-efficient lighting, among other projects. Collectively, these projects have reduced annual electricity consumption at our B.C. operations by 60 gigawatt hours (216 TJ) — enough power for 5,400 homes.

We have introduced vehicle anti-idling policies at all of our B.C. and Alberta mining operations. This initiative began in 2012 when Highland Valley Copper (HVC) Operations ceased idling heavy equipment during shift

change and light vehicles when unoccupied. The success of this program has led to implementation of anti-idling initiatives across our operations. In B.C. and Alberta, our anti-idling initiative is saving almost 5 million litres of diesel annually (192 TJ), as well as reducing emissions at our sites by the equivalent of an estimated 13,000 tonnes of carbon dioxide per year. In addition, not idling reduces wear and tear on engines and contributes to the culture of sustainability at Teck.

As a result of these and other initiatives, we achieved 425 TJ of energy reductions in 2013. This contributes to our cumulative energy reduction that now totals approximately 650 TJ since 2011, bringing us closer to our 2015 energy reduction target of 1,000 TJ. We have also surpassed our 2015 GHG reduction target of 75,000 tonnes of CO<sub>2</sub>e emissions.

In 2014, we will continue to implement steps to further improve the efficient use of energy and to reduce emissions across our operations and in our plans for new projects.





## Improving Haul Truck Productivity

Day and night, haul trucks travel back and forth across our six steelmaking coal sites, hauling waste rock to the dumps and raw coal to the processing plant. This movement is a significant portion of our site costs — approximately 40%. Finding ways to make our trucks work faster and more efficiently, without sacrificing safety, is an opportunity not only to save costs, but also to reduce emissions and improve our overall sustainability performance.

In response to this challenge, we developed four specific ways to improve haul truck productivity:

- Reducing fixed time — the amount of time that a haul truck spends waiting to be loaded, being loaded and dumping its contents
- Increasing operating hours by reducing as much unproductive time as possible, e.g., fuelling trucks during lunch or at shift change
- Improving payload — switching to lightweight haul truck boxes allows us to move an additional 15 tonnes of material with each load; lighter truck boxes also result in reduced fuel consumption on the return trip from the dump and the potential to load additional material on every trip
- Grouping trucks together based on speed so our newer, faster trucks aren't being held up by older, slower ones

These changes may seem small, but they add up to big results. For example, we reduced the amount of time that a haul truck waited to be loaded by one minute during 2013, thereby saving 40,000 truck hours and 450,000 litres of diesel. The diesel savings also reduced our CO<sub>2</sub> emissions by 1,200 tonnes and contributed 16 TJ towards our energy reduction target. Simply increasing truck productivity by 5% and sustaining it for one year can save an estimated 50,000 truck hours, reducing costs by \$24 million and improving our efficient use of resources.





Pictured above: haul truck at our Fording River Operations



## Alternative Energy

We have set a 2015 goal of 30 megawatts (MW) of alternative energy generation and set a 2030 goal to expand that portfolio to 100 MW. As large users of energy, these goals demonstrate our commitment to support the greening of the energy systems from which we procure our energy. To meet our targets, we have been exploring opportunities for the procurement of alternative energy sources. While we remain committed

to our goals over the long term, current economic conditions make achieving our 2015 goal extremely challenging. In 2013, approximately 25% of our energy requirements were supplied by non-carbon-emitting sources, largely due to our access to hydroelectricity. The Wintering Hills Wind Power Facility, our first major investment into renewable energy, also contributed strong energy generation performance.

### Supporting Alternative Energy Education near Quebrada Blanca Operations

In addition to teaching standard subjects like mathematics, history and literature, the two public high schools in the Tarapacá Region of northern Chile are now also offering secondary students an unconventional, employment-oriented course: renewable energy systems maintenance.

In 2013, our Quebrada Blanca Operations partnered with the Ministerial Secretariats of Education and Energy to develop a renewable energy education program for local public schools. Through the program, students at Liceo Padre Alberto Hurtado Cruchaga in Pica and Liceo Alcalde Sergio González Gutiérrez in Pozo Almonte gain practical knowledge about solar and wind power.

Students who participate in the program learn how to install and maintain solar and wind power systems, and how to provide technical assistance to farmers, tourism operators and other local community members who use alternative energy systems. After completing the program, students are able to practice their skills by working at local energy companies as interns.

And it's not only students who are learning — when the program started, teachers at both schools were trained to deliver the solar power education modules. Now, instead of hosting one-time workshops, teachers can share their knowledge with the next generation of students.

## Carbon Regulations and Economics

Some regulations of greenhouse gas (GHG) emissions establish a price for carbon, which is either paid directly by us or mitigated through the reduction of emissions or through the generation or purchase of offsets.

We pay costs directly attributable to carbon regulations in two jurisdictions where we operate: British Columbia and Alberta.

The Province of British Columbia introduced a carbon tax on fossil fuels in 2008. The tax is imposed on various fossil fuels used in B.C. For 2013, our seven B.C.-based operations paid \$47 million in provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas. We expect to pay a similar amount in 2014. We may, in the future, face similar taxation in other jurisdictions.

Our Cardinal River Operations (CRO) meets Alberta GHG compliance requirements through efficiency improvements and the use of offsets generated from the Wintering Hills Wind Power Facility. In 2013, CRO used approximately 33,000 tonnes of offsets.

Our direct GHG emissions from our operations are approximately 2.7 million tonnes per year, based on 2013 data. The cost of reducing our emissions, or of obtaining

the equivalent amount of credits or offsets, is highly uncertain. For purposes of illustration, the costs associated with GHG emissions regulations might be expected to fall in the range of \$10 to \$50/tonne of carbon dioxide-equivalent, in which case our compliance costs for all of our direct GHG emissions could range from approximately \$27 million to \$135 million per year. These figures are only meant to be illustrative of the order of magnitude of costs that might be anticipated for us if all jurisdictions in which we operate implemented carbon regulations of this nature. The cost of compliance with various climate change regulations will ultimately be determined by the regulations themselves and by the markets that evolve for carbon credits and offsets.

The rising cost of carbon affects our overall production costs and is a business risk for Teck. There is a great deal of uncertainty in determining future financial implications of carbon regulations. In response, we have developed a suite of tools to manage our regulatory risks and their financial implications. More details can be found in our response to the Carbon Disclosure Project (CDP), which is available on the CDP website at [www.cdp.net](http://www.cdp.net).



Our Highland Valley Copper (HVC) Operations in south-central British Columbia has partnered with Dr. Roger Yu, a professor in the Department of Mathematics and Statistics at nearby Thompson Rivers University (TRU). He is working to extract useful information from the large amounts of data that we collect on our energy use to help increase our energy efficiency in several key areas, including drilling, blasting, extraction, crushing, grinding and flotation.

Dr. Yu is a member of TRU's Centre for Optimization and Decision Science, a research group that focuses on understanding complex systems through quantitative approaches. With the help of funding from Highland Valley Copper and the Natural Sciences and Engineering Council of Canada, TRU evaluated key performance indicators for energy consumption in the mining industry and developed a set of indicators specific to Highland Valley Copper.

TRU also created a predictive model that helped us to better understand their blasting, crushing and grinding processes, and how high-energy blasting was affecting the milling rate. This increased our understanding of how blasting relates to mill throughput, which enabled the operation to optimize blasting and minimize energy use in the mill.

Chris Dechert, General Manager at Highland Valley Copper, sees potential for additional research to assist the mine in operating more efficiently and is looking forward to working further with Dr. Yu and with other researchers at the university. "If research can help us become even 1% more efficient, that's a dramatic saving," he said. "Investing our research dollars in the local university is a win-win for everyone involved. At HVC, we are able to make energy usage decisions based on the predictive model, and TRU has had the opportunity to work with an industry partner to practice academic theories in a real-world setting."







We all rely on energy — to keep the lights on, for transportation and to heat or cool our homes — which is why Teck is focused on the sustainable development of energy to meet global demand. We are building a new energy business unit, which holds significant production potential, in the Athabasca oil sands region of northeastern Alberta.

As with any resource development project, there are opportunities and challenges. With the oil sands, the environmental challenges — greenhouse gas (GHG) emissions, water use and tailings management, to name a few — are also opportunities to pursue step changes in efficiency and make the development of this resource more sustainable.

We hold a 20% interest in the Fort Hills oil sands project, which is under construction and is expected to produce first oil as early as the fourth quarter of 2017. Our proposed Frontier oil sands project is currently undergoing an environmental and regulatory review.

Both Fort Hills and Frontier are long-life assets of 50 years or more and they provide us with the opportunity to develop and implement long-term improvements in technology. The oil sands industry has a record of efficiency improvements. Since 1990, for example, GHG emissions per barrel of oil sands crude produced has been reduced by 26%. But we can do more and work continues on a variety of new technologies to lower GHG emissions, including liquid natural gas-fueled haul trucks.

We are a founding member of Canada's Oil Sands Innovation Alliance (COSIA), which is sharing research among companies to improve environmental performance in the oil sands. To date, COSIA member companies have shared information on 560 distinct technologies and innovations that represent research and development investments of over \$900 million. Through this collaborative approach, members can accelerate the pace of environmental performance improvements.

For our Frontier project, we plan to use best practices for sustainable and responsible development, including the latest technologies and innovative techniques for tailings treatment, seepage control and reclamation. In addition, our plans include:

- Building a natural gas cogeneration plant to produce electricity for the project while using the byproduct heat in the extraction process to reduce GHG emissions
- Using the latest paraffinic froth treatment technology to produce a higher quality saleable bitumen product
- Using the latest technology to burn natural gas so that nitrogen oxide emissions are minimized
- Creating significant off-stream water storage capacity that will allow us to stop water withdrawal from the Athabasca River during low-flow periods

We have designed the mine to reduce effects on the environment wherever possible and will be addressing concerns through the regulatory and consultation process.

We value our relationships with Aboriginal communities near our Frontier project and spend a significant amount of time in these communities to hear and address concerns. We have engaged in meaningful consultation since 2008 and have provided substantial capacity funding to enable their technical engagement with us, including full technical participation in the Frontier Project Integrated Application review. We have also funded Traditional Knowledge and Traditional Land Use studies to inform project planning.

We are committed to building a new energy business unit through the responsible development of our oil sands projects in a manner that is both protective of the environment and respectful of communities, Aboriginal and non-Aboriginal, in the oil sands region.

# Materials Stewardship



25,000

tonnes of material treated by our recycling processes at Trail Operations in 2013

**Vision:** We offer a range of products and services that create maximum value for society with minimal impact on people and the environment.



### **Why is this topic important?**

Materials stewardship is about managing the impacts and benefits of materials across their life cycles, from production through to recycling, reuse and end of life. There is growing concern over the impacts that materials and their production can have on people and on the environment through waste, emissions and the accumulation of hazardous byproducts. Society continues to expect producers to take responsibility for their products, making it more important than ever for producers and users to fully understand product life cycles in order to maximize value while minimizing impacts.

Producing materials is becoming more challenging as global demand for materials increases and depleted mineral resources result in lower grades of ore being mined in more remote locations. In the mining industry, there is a growing recognition of shared responsibility across the supply chain for the sustainable production, use, reuse, recycling and disposal of minerals and metals.

### **What does this focus area mean for Teck?**

Maximizing the value of our products involves using our technology and expertise to support and advocate for the continued reuse and recirculation of metals, as well as looking for new and innovative product uses. For example, we promote the use of zinc to improve human health and to increase crop yield.

Managing the impacts of our products requires a thorough understanding of the properties of our products and our supply chain, which allows us to more effectively minimize impacts, engage with our communities of interest and gain market access.

### **Why is this important to our communities of interest (COIs)?**

All of our COIs are consumers of mineral products. Governments, customers, suppliers and transportation providers want to ensure that they fully understand the actual and potential product risks associated with the handling and use of our products. Among consumers, there is a growing demand for and an interest in responsibly produced and managed products. Also, communities that are near or along transportation routes for our products and supplies expect us to manage risks.

### **What is our approach?**

We employ life cycle thinking to understand the potential risks and impacts of our products, beginning with the extraction of raw material from the earth, through to processing, transportation and customer use.

Our Materials Stewardship Committee (MSC) defines and oversees our efforts and is responsible for:

- Understanding the actual and potential risks and impacts of our products
- Making recommendations on approving new product applications
- Managing labelling and packaging requirements
- Monitoring product regulations and technical, transportation and legal issues
- Establishing policies and procedures related to materials stewardship



## 2013 Highlights

- Worked with smelter customers to assess their ability to manage mercury contained in copper concentrates
- Continued to advance the communication of our Recommended Protocols for Suppliers and Service Providers throughout our supply chain



## Managing Product Stewardship

Product stewardship is about managing the environment, health and safety impacts of our products. As a diversified resource company with operations and markets in many countries, we develop appropriate

systems to manage our breadth of products across numerous jurisdictions. Our stewardship ranges from ensuring compliance with product laws and regulations to promoting metals recycling in the supply chain.

### Our Products

In 2013, we produced:

- 364,300 tonnes of copper
- 25.6 million tonnes of steelmaking coal
- 623,000 tonnes of zinc contained in concentrate
- 290,100 tonnes of refined zinc
- 86,400 tonnes of refined lead

While these are our major products, we also produce a wide range of other metal and chemical products, including lead and molybdenum concentrates, germanium, indium, cadmium, gold, silver, fertilizer products, sulphur products and various intermediate chemical products.

### Managing the Health, Safety and Environmental (HSE) Impacts of Our Products

We are increasingly adopting life cycle thinking as a means of identifying and managing the risks of our products.

Through life cycle thinking, we continually improve our understanding of our products and their properties, allowing us to better identify, mitigate and communicate associated HSE risks and opportunities along the value chain. We build this knowledge internally at our product technology and research centres, as well as through our industry associations (see Appendix D on pages 115–118 for a list). These associations allow us to collaborate, enhance product knowledge and define industry best practices. There were no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products during 2013.

### Complying with Laws and Regulations

We ensure compliance with all applicable laws and regulations in all jurisdictions in which we operate. With a complex and fluid regulatory landscape for classifying, labelling, marketing and transporting our products, this requires staying current with emerging regulations in order to ensure continued market access for our products.

We provide information on the chemical composition of our products, potential product-related environmental and human health risks, recommendations on their safe use, and pertinent disposal information. This is accomplished through several mechanisms, including Materials Safety Data Sheets (MSDSs), product labels/

placards and technical specification information. We are currently updating our MSDSs in accordance with the Globally Harmonized System of Classification and Labelling of Chemicals, an international system for classifying and communicating the hazards of chemical products, including metals.

As government and consumer interest in conflict minerals grows, new legislation has been enacted in certain jurisdictions. New United States legislation, the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, is increasing supply chain due diligence.

We have filed our first report with the United States Securities and Exchange Commission in compliance with this legislation.

We are also actively determining how emerging regulations will affect classification and transportation requirements for our products. Amendments to the International Maritime Organization's (IMO) shipping laws have established new criteria governing cargo that must be labelled as harmful to the marine environment. We have completed the classification of our metal concentrates under this new IMO initiative, as well as a preliminary classification for our steelmaking coal.

As one of Canada's largest shippers of materials, we are dependent on rail to move our steelmaking coal, concentrates, metals and other products to market. We continually work with governments, shippers and railways to ensure that we have the appropriate regulations and practices for the safe, efficient and environmentally responsible movement of our various products.

## Recycling

Primary mineral extraction is resource intensive. However, most metals can be recycled indefinitely, thereby conserving resources such as energy and water, and keeping materials out of the landfill. One of our sustainability goals is to use our technology and know-how to promote the effective, efficient and economic recycling of metals.

As of 2013, Trail Operations is no longer a primary processor of electronic waste from the provincial electronic waste stewardship program. We continue to be a downstream processor for cathode ray tube glass, which is a component of electronic waste. We also recycle lead acid batteries and light bulbs in order to recover valuable metals and other materials. In 2013, our recycling processes treated 25,000 tonnes of material, including:

- 16,200 tonnes of lead in battery products — lead from vehicle batteries accounts for up to 25% of our lead production

- 400 tonnes of zinc alkaline batteries — we convert the zinc recovered into high-grade refined zinc metal
- 9,000 tonnes of e-scrap — over 77,000 tonnes have been processed since the start of the program in 2006
- 70 tonnes of fluorescent light bulbs — this process allows us to recover silica, iron and mercury

Our materials stewardship program also extends to operation-level recycling. We want to ensure that we are keeping scrap metals and other materials out of landfills and are assessing our recycling practices for all kinds of materials, from glass to 5,000-kilogram tires from haul trucks. As collection services and recycling programs vary widely by jurisdiction, we are working to identify opportunities for improvement and to share best practices across the company.

## Shedding Light on Recycling

At Teck, promoting the responsible use, reuse, recycling, recovery and disposal of materials is an important part of our work in materials stewardship, and this work extends beyond our operations.

We engage with governments, manufacturers and users of our products to promote effective, efficient and economic recycling of metals. And we take action where we feel our technology and experience can help society.

Take fluorescent bulbs, for example. While these bulbs promote energy efficiency, they also contain mercury, which is a potential hazard to the environment if not disposed of correctly. In 2010, our Trail Operations started a fluorescent light bulb recycling program, which has processed more than 315 tonnes of waste to date. Bulbs are crushed by external suppliers and placed into steel drums for shipping to Trail Operations, where we ensure that all parts of the bulbs are recycled. Glass, metal and ceramic components are used in the lead smelter to help recover other agents. Non-recoverable materials, such as steel, are used to make cement. Mercury dust is fed into zinc roasters and recovered as a stable mercury-chloride product, which, after being refined, is sold for use in the manufacture of new fluorescent bulbs.

## Managing the Supply Chain

Our supply chain begins with the inputs we use to mine and produce our products, which are then stockpiled or packaged, transported, stored, processed, used and eventually recycled or discarded. Managing the supply chain requires an understanding of a broad scope of issues. That scope includes the packaging of our products, leveraging dollars and relationships to influence our customer and supplier sustainability, and the identification of the roles of all participants in the chain, as well as their processes and impacts. Given the wide reach of these activities, supply chain management is a shared responsibility across our company.

We move our products around the globe from our operations by rail, air, trucks and shipping vessels directly to customers or to our refining facility. For example, we ship the majority of our steelmaking coal from B.C. directly to customers in the Asia-Pacific region. We also ship over 250,000 tonnes of zinc concentrate from our Red Dog Operations in Alaska to our Trail Operations in B.C. to be refined and subsequently shipped to customers primarily in North America and Asia.

Our major customers include traders, smelters, secondary refiners/manufacturers and steel mills. As part of our supply chain management, we consider the ability of current and potential customers to manage our products as well as the associated byproducts from processing our materials, some of which are deleterious. In particular, we continue to work with smelter customers to ensure that their processes, equipment and practices are sufficient to manage our products in a safe and environmentally sound manner. By the end of 2013, we had completed assessments of several smelters

and we plan to expand our assessments to all of our base metal customers by 2016.

Our suppliers and service providers include equipment, fuel and chemical suppliers, as well as engineering, transportation and banking entities. The performance of current and potential suppliers with respect to human rights, environment, labour, and legal compliance matters represents a potential risk to Teck. At present, we do not specifically screen all of our suppliers or contractors on their Health, Safety, Environment and Community (HSEC) performance; however, we employ several means of managing supplier risk. For example, our Recommended Protocols for Suppliers and Service Providers communicate our expectations for HSEC performance and responsible business practices. These protocols are designed to assist us in meeting our goals of working with suppliers that have ethical and acceptable human rights, labour, health and safety, environmental and business practices. In 2013, operations and certain corporate departments communicated these protocols to their significant suppliers.

In the case of formal tender processes for certain large contracts, our Request for Information and Request for Proposal process allows us to evaluate suppliers on their HSEC policies and practices as part of the selection process. We evaluate selected suppliers in accordance with ongoing risk management practices. In addition, as we are heavily reliant on our product carriers, we conduct a risk-based screening of our transportation providers based on the volume and commodity moved in order to select those who will handle our products safely and who share our commitment to safe and responsible supply chain management.

## Keeping Pests Out of the Supply Chain

Everyone in the supply chain has a responsibility to make sure materials are used and disposed of properly. In practice, considerations for our supply chain can even be translated into smaller things — like unwanted insects.

Wood packaging, pallets and the protective materials used to secure shipments have the potential to transport unwanted pests across borders, continents and oceans. Insects can sometimes cause economic and environmental harm to a new area, and can potentially impact places where other plants and animals live. The International Plant Protection Commission has developed protocols to control the movement of unwanted insects in wood products and Canada has adopted regulations to ensure that these pests are not imported or exported.

Responding to growing international concerns about the movement of unwanted insects, our operations have taken various steps to combat their transportation. For example, our Trail Operations participates in a control program that carefully selects sterile plywood for packaging silver and indium. Our Highland Valley Copper Operations mandates that only certified treated wood for the pallets is used to transport molybdenum. The treatments applied to these shipping materials ensure unwelcome pests are not present before the products are sent to new communities.





Our Red Dog operations, located 240 kilometres north of the Arctic Circle, faces unique challenges when it comes to managing our supply chain for maximum benefit with minimal impact. Transportation routes for products and supplies are subject to ice and snow for nine months each year.

With our supply chain involving everything from the inputs we need to extract ore and process it to the systems needed to stockpile, package and transport our supplies, products and workers, ongoing planning is essential to maintain reliable inbound and outbound transportation systems.

Outside of an 84-kilometre Red Dog-maintained gravel road to our seaport on the shores of the Chuckchi Sea, there are no other roads or railways to or from the site, so transportation of product from the mine depends entirely on the port. Because of ice conditions, the Red Dog shipping season typically only runs 100 days, from early July to mid-October.

To prepare for shipping season, we transport our outbound zinc and lead concentrate by truck to the port year-round to be stored in two massive storage facilities. We monitor weather conditions 24 hours per day and maintain radio call-in protocols for drivers along this isolated route. We also monitor wildlife. The region is home to moose, red foxes, grizzly bears, Arctic wolves and thousands of caribou, among other species. When migrating caribou are spotted on the road, our drivers stop to ensure their safe passage and estimate the size of the herd, reporting the results to the Northwest Arctic Borough for their management of the species.

The start of shipping season itself is dependent on the completion of the annual whale hunt by local Indigenous Peoples, the Iñupiat. Each year, we await confirmation from the Iñupiat Subsistence Committee that their hunt has ended before sending vessels into port. Once the season begins, we monitor the weather and ocean swell conditions to determine whether shipping operations can proceed on any given day. Weather conditions are monitored for as much as 36 hours in advance to assist with a final shipping decision. If shipping is approved, concentrate is loaded onto two custom-built barges and transported out to cargo ships 5 kilometres offshore. The cargo is shipped to our customers around the world.

While concentrate is transported out of Red Dog, supplies for the coming winter are transported in, largely from Seattle, Washington. It is an intensive process, months in the making, to bring in fuel, equipment and non-perishable items to sustain operational needs throughout the year. Managing our inbound supply chain also allows us to be more efficient and use less energy. We carefully plan our shipments, as anything that is missed or unforeseen must be brought in later by aircraft.

Today, Red Dog is a testament that foresight and careful supply chain planning can create a successful and sustainable operation in the harshest of climates.

# Performance Overview Table<sup>(1)</sup>

Category		2013	2012	2011
Health and Safety <sup>(2)</sup>	Total Recordable Injury Frequency (TRIF)	<b>1.26</b>	1.33	1.45
	Fatalities	<b>0</b>	0	0
	Lost-Time Injury (LTI)	<b>69</b>	94	92
	LTI Frequency (LTIF)	<b>0.34</b>	0.46	0.50
	Severity	<b>19</b>	17	21
Energy and Greenhouse Gas (GHG) Emissions	Energy — fuel (TJ)	<b>31,399</b>	33,016	31,709
	Energy — electricity (TJ)	<b>14,158</b>	13,977	13,595
	Total energy use (TJ)	<b>45,556</b>	46,993	45,304
	GHG emissions — direct CO <sub>2</sub> e (kt)	<b>2,722</b>	2,889	2,718
	GHG emissions — indirect CO <sub>2</sub> e (kt)	<b>367</b>	294	299
	GHG emissions — total CO <sub>2</sub> e (kt)	<b>3,089</b>	3,183	3,018
Materials	Waste rock (kt)	<b>784,520</b>	778,654	748,464
	Tailings (dry kt)	<b>67,388</b>	66,035	61,413
	Coarse coal refuse (kt) <sup>(3)</sup>	<b>10,307</b>	10,348	11,866
Environmental Compliance	Permit non-compliance	<b>79</b>	81	91
	Regulatory non-compliance	<b>5</b>	4	5
Significant Spills	Number of Significant Spills	<b>1</b>	1	2
Biodiversity <sup>(4)</sup>	Area reclaimed during the current year (ha)	<b>434</b>	179	84
	Area disturbed during the current year (ha)	<b>310</b>	478	65
	Area of land yet to be reclaimed (ha)	<b>22,087</b>	19,163	18,943
	Total area of disturbance to date (ha)	<b>28,984</b>	28,615	26,760
Waste Management and Recycling <sup>(5)</sup>	Hazardous waste sent off-site but not recycled (t)	<b>10,087</b>	2,029	1,814
	Hazardous waste treated/disposed of on-site (t)	<b>22,659</b>	15,310	22,998
	Hazardous waste recycled (t)	<b>44,559</b>	22,418	23,085
	Non-hazardous waste sent off-site but not recycled (t)	<b>12,863</b>	1,620	2,583
	Non-hazardous waste treated/disposed of on-site (t)	<b>100,798</b>	115,872	84,400
	Non-hazardous waste recycled (t)	<b>28,711</b>	26,103	26,787
Water <sup>(6)</sup>	Total water inputs (m <sup>3</sup> )	<b>503,034,046</b>	n/a	n/a
	Total water outputs (m <sup>3</sup> )	<b>490,427,187</b>	n/a	n/a
	Freshwater use (m <sup>3</sup> ) <sup>(7)</sup>	<b>119,534,612</b>	118,155,666	118,973,680
	Water reused/recycled (m <sup>3</sup> )	<b>206,063,577</b>	212,185,568	200,838,981
	Water reused/recycled (%) <sup>(8)</sup>	<b>172</b>	180	169

- <sup>(1)</sup> Data in this table is accurate as of May 7, 2014. Historical data is reported based on the scope of the report for the respective year. The scope of the report can change year to year, depending on acquisitions or sales of assets. In our efforts to continually improve and standardize our annual reporting process, the interpretation of data from year to year can often change. Certain comparative amounts for 2012 and 2011 have been reclassified or restated to conform to the presentation adopted for 2013.
- <sup>(2)</sup> Our safety statistics include both employees and contractors at all of our locations (operations, projects, exploration sites and offices). For sites where Teck owns more than 50%, safety statistics are weighted 100%; for sites where Teck owns 50% or less, safety statistics are weighted according to Teck's ownership of the operation. This includes the Antamina mine, in which we have a 22.5% interest. We define incidents according to the requirements of the U.S. Department of Labor's Mine Safety and Health Administration. Frequencies are based on 200,000 hours worked. Severity is calculated as the number of days missed due to lost-time injuries per 200,000 hours worked. New information or a reclassification of injuries may cause a change in historical data.
- <sup>(3)</sup> Includes dewatered fine coal refuse from Line Creek and Coal Mountain operations.
- <sup>(4)</sup> The area of land reclaimed during the current year may include land that was previously reclaimed but subsequently disturbed. The area of land yet to be reclaimed is typically determined by comparing land that has been successfully reclaimed to the overall disturbed footprint of the operation. However, in some cases, the area reclaimed to date is not a simple calculation of the total area disturbed to date minus the area yet to be reclaimed. Examples of this are operations where roads are to be left in place or where the land is allowed to naturally revegetate. Such areas are not included in the area yet to be reclaimed. We continue to work with our operations to standardize our approach to determine the areas of land disturbed and reclaimed.
- <sup>(5)</sup> Recycled waste includes waste that is diverted from the landfill through recycling and reuse. Waste sent off-site but not recycled includes waste disposed of at appropriate facilities, landfills and deep-well injections.
- <sup>(6)</sup> In 2013, we improved our water reporting methodology and, as a result, total water inputs and total water outputs for prior years are not available. We provide data for total water withdrawals and total water discharges for prior years in the 2012 Sustainability Report. See pages 69–71 for definitions of water inputs and outputs and for more detailed water data.
- <sup>(7)</sup> Freshwater use was reported as total water withdrawals in years prior to 2013.
- <sup>(8)</sup> The percentage calculation is based on the total volume of water reused/recycled divided by the total volume of freshwater use.
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# Independent Assurance Report

## To the Board of Directors and management of Teck Resources Limited:

### What we looked at: Scope

Deloitte was engaged by Teck Resources Limited (Teck) to provide limited assurance on selected sustainability subject matter areas presented within the Teck 2013 Sustainability Report (the Report) for the year ended 31 December 2013.

### Selected subject matter

- Teck's assertion that it has incorporated the requirements of the 10 Sustainable development principles of the International Council on Mining and Metals (ICMM Subject Matter 1) into its own policies, strategies and standards
- Teck's assertions regarding the approach that it has adopted to identify and prioritize its material sustainable development risks and opportunities (ICMM Subject Matter 2)
- Teck's assertions regarding the existence and status of implementation of systems and approaches used to manage the following selected sustainable development risk areas (ICMM Subject Matter 3):
  - Health and safety;
  - Energy and climate change;
  - Water;
  - Community and indigenous peoples;
  - Biodiversity; and
  - Materials stewardship.
- Teck's company-wide reported performance data for sustainable development risk areas identified under ICMM Subject Matter 3 (such reported performance data is referred to as ICMM Subject Matter 4); data for reviewed performance measures, listed below, is included in the addendum: "selected performance measures reviewed":
  - Number of work-related fatalities, number of lost-time injuries, and lost-time injury frequency;
  - Direct, indirect and total greenhouse gas (GHG) emissions by weight;
  - Total water withdrawal by source (including groundwater, surface water and other sources);
  - Total number of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples;
  - Area reclaimed during the current year, total disturbance to date; and
  - Programs and progress relating to materials stewardship.

- Teck's self-declaration of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines application level A+ (ICMM Subject Matter 5).

### Reporting criteria

Teck has described its approach to reporting material sustainability issues, performance measures, statements and claims related to the subject matter in the "About our Report" section of the Sustainability Report. The subject matter areas above have been assessed against the definitions and approaches contained in the following standards and principles:

- ICMM principles and mandatory requirements set out in ICMM Position Statements; and
- Global Reporting Initiative G3 Reporting Guidelines (GRI G3).

### Responsibilities

#### Deloitte LLP

Our responsibility is to express a conclusion on Teck's approach and reported assertions detailed in the description of the subject matter areas.

#### Teck Resources Limited

The report has been prepared by management of Teck who are responsible for the collection and presentation of the subject matter in accordance with the Reporting criteria. Teck is a member of the ICMM and is therefore committed to obtaining assurance over specified subject matter in its Report in line with ICMM's Sustainable Development Framework: Assurance Procedure (the Framework).

### What we did: Approach

Our limited assurance engagement has been planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000) and ICMM's Sustainable Development Framework Assurance Procedure.

### Primary procedures performed

- Making enquiries of relevant management of Teck;
- Evaluating the design of the key processes and controls for managing and reporting the performance data within the selected subject matter;
- Testing performance data, on a selective basis, substantively at both an operational and corporate level;

- Undertaking analytical procedures over the performance data; and
- Reviewing a sample of relevant management information and documentation supporting assertions made in the selected subject matter.

#### Limited assurance

This engagement is aimed at obtaining limited assurance for our conclusions. As a limited assurance engagement is restricted primarily to enquiries and analytical procedures and the work is substantially less detailed than that undertaken for a reasonable assurance engagement, the level of assurance is lower than would be obtained in a reasonable assurance engagement.

#### Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

#### Restriction on use

Our responsibility in performing our limited assurance activities is to the management of Teck only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Report is entirely at its own risk.

#### What we found: Assurance conclusions

Based on the work described above, nothing has come to our attention that causes us to believe that the selected subject matter for the year ended December 31, 2013 has not been prepared, in all material respects, in accordance with the Reporting criteria.

*Deloitte LLP*

Deloitte LLP  
Chartered Accountants  
Vancouver, BC  
June 11, 2014

### Addendum — Selected Performance Measures Reviewed

The following corporate-wide performance measures were included in Deloitte's review of selected sustainability subject matter areas within Teck's Sustainability Report for the year ended December 31, 2013.

Performance Measure	2013
Number of fatalities	0
Number of lost-time injuries (LTI)	69
Lost-time injury frequency (LTIF)	0.34
GHG emissions — direct (CO <sub>2</sub> e kt)	2,722
GHG emissions — indirect (CO <sub>2</sub> e kt)	367
GHG emissions — total (CO <sub>2</sub> e kt)	3,089
Total freshwater use (m <sup>3</sup> )	119,534,612
Area reclaimed during the current year (ha)	434
Total disturbance to date (ha)	28,984
Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples	2

# Appendix A – Progress on 2015 Sustainability Goals

In 2011, we identified six sustainability focus areas for our company: Community, Our People, Water, Biodiversity, Energy, and Materials Stewardship. In each focus area, we set long-term 2030 and short-term 2015 goals that build on the work we are doing and set out the path to achieve our vision for sustainability. The following tables summarize the progress we have made on our 2015 sustainability goals.



## Community

2015 Goals	Status	2013 Highlights
1. Establish uniform measures to assess social risk and performance and manage activities	→	Completed social baselines at 11 operations Completed social impact assessments at seven operations Completed social risk analyses at nine operations
2. Implement policies and frameworks to guide interactions with Indigenous Peoples	→	Negotiated three comprehensive agreements with Indigenous Peoples for two sites in British Columbia Increased spending on suppliers who self-identified as Indigenous by 9% year over year Implemented our Principles and Agreement Framework, which guides our negotiations with Indigenous Peoples
3. Put processes in place to maximize community benefits and collaboration	→	Implemented feedback mechanisms at 12 operations
4. Build our internal capacity through expanded training in social responsibility, community dialogue, Indigenous Peoples' rights, cultural awareness and human rights	→	Trained over 100 employees in Indigenous Peoples' Rights and Cultural Awareness



## Our People

2015 Goals	Status	2013 Highlights
1. Reduce overall total reportable injuries	→	Achieved our safest year ever, attaining a 26% lower lost-time injury frequency over 2012 and reducing our total reportable injury frequency by 5.6% Continued Courageous Leadership Program and have trained over 16,000 employees and contractors to date
2. Retain existing employees and skills	→	Decreased employee turnover by 17% year over year Increased participation to 92% of eligible employees in Building Strength With People, our performance development program and achieved an effectiveness score of 75% based on an employee survey Expanded health and wellness programs, including implementing cardiovascular health screening and a mental health awareness campaign
3. Increase employee training and development opportunities	→	Delivered leadership development programs for employees; results include expanded leadership responsibilities for over 90% of employees who have participated in the Emerging Leaders Program Implemented an International Assignment Policy to increase the consistency of our global employee mobility programs
4. Enhance recruitment programs	→	Standardized recruitment practices and fully implemented an applicant tracking system across the company Increased the number of women in operational or technical roles by 12% year over year





## Our People (continued)

2015 Goals	Status	2013 Highlights
5. Embed sustainability principles throughout our company and ensure that they are routinely considered in decision-making		Integrated sustainability as a component of site-level bonuses, as measured by the site's implementation of actions plans for our biodiversity, water, energy and community focus areas  Enhanced communications for our sustainability strategy by including sustainability-focused articles in the company newsletter



## Water

2015 Goals	Status	2013 Highlights
1. Establish baseline for water use intensity and water quality at all current operations by 2013		Established a company-wide water balance that provides a more comprehensive account of the volumes of water that flow into and out of our operations
2. Implement Teck's Water Management Standard by 2013		Completed water risk and opportunity workshops at all operations  Completed water balances and integrated water management plans at each of our operations  Working closely with communities, First Nations and governments to create an Elk Valley Water Quality Plan near our steelmaking coal operations in British Columbia
3. Implement measures to achieve operation-specific targets for improvements in water use intensity and water quality		Developing operation-specific targets in 2014  Implementing projects to achieve improvements in 2014 and 2015



## Biodiversity

2015 Goals	Status	2013 Highlights
1. Develop comprehensive management plans, including targets and actions to minimize impacts at all operations and advanced projects, in accordance with our Biodiversity Guidance Manual and company standards		Completed Biodiversity Management Plans at four operations  Conducted biodiversity baseline inventories at each operation through a systematic data collection program
2. Develop plans at our operations to offset ecosystem impacts that cannot be fully mitigated or rehabilitated by enhancing or protecting similar habitat areas of equal or greater ecological value, in the affected regions		Purchased approximately 7,150 hectares of private lands in the Elk Valley and Flathead River Valley for wildlife and habitat conservation purposes
3. Enhance our contribution to biodiversity conservation and knowledge		Invested in ongoing research projects and partnerships, including bighorn sheep research at Line Creek Operations, American pika research at Highland Valley Copper Operations and the Vancouver Aquarium's Northern Leopard frog breeding program
4. Identify and implement biodiversity improvement and conservation opportunities that would seek to create a net positive impact in our areas of influence		Continued to assess and implement the full closure and rehabilitation of our dormant mine properties on a prioritized basis  Received the British Columbia Jake McDonald Annual Mine Reclamation Award for excellence in the reclamation of the Pinchi Lake Mine in British Columbia



Achieved



On Track



Behind Schedule



## Energy

2015 Goals	Status	2013 Highlights
1. Reduce energy consumption at existing operations by 1,000 terajoules		Implemented additional energy reduction projects, resulting in 650 terajoules of energy reductions since our baseline year of 2011
2. Reduce greenhouse gas emissions at existing operations by 75 kilotonnes of carbon dioxide-equivalent emissions (CO <sub>2</sub> e)		Achieved our 2015 goal of reducing greenhouse gas emissions by 75 kilotonnes, driven primarily by switching our fuel from coal to natural gas for product drying at four of our steelmaking coal sites and by anti-idling programs at our British Columbia and Alberta mining operations
3. Commit to 30 megawatts (MW) of alternative (non-carbon-emitting) energy generation		10 MW of alternative energy generation is in place to date through our interest in the Wintering Hills Wind Power Facility No additional projects were advanced in 2013 due to challenging economic conditions
4. Carry out the following for our new projects: <ul style="list-style-type: none"> <li>• Conduct an analysis of currently available energy sources and evaluate opportunities to develop new energy sources</li> <li>• Based on best practices, establish energy design criteria</li> <li>• Complete comprehensive project energy maps to facilitate design options, identify opportunities, and determine incremental capital and operating costs for energy reduction projects</li> </ul>		Completing energy supply reviews on a project-by-project basis Developing a systematic approach for developing energy maps



## Materials Stewardship

2015 Goals	Status	2013 Highlights
1. Refine materials stewardship programs that identify and manage the risks of our products using lifecycle thinking <sup>(1)</sup>		Worked with smelter customers to assess their ability to manage mercury contained in copper concentrates Classified our base metal concentrates against international standards on the prevention of pollution from ships
2. Promote effective, efficient and economic metals use and recycling in the mining industry through our technology and know-how		Treated over 25,000 tonnes of material through our recycling processes at Trail Operations Improved domestic recycling at our sites by providing resources and tools that identify applicable provincial recycling programs for sites Worked with the International Council on Mining and Metals and the International Zinc Association to improve recycling models for base metals
3. Use our materials stewardship activities to enhance our customers' use of our key products and services		Engaged with users of minerals and metals to understand their stewardship requirements as they relate to our products
4. Communicate materials stewardship throughout our company and in our business dealings with our customers, primary feed material suppliers and governments		Continued to advance the communication of our Recommended Protocols for Suppliers and Service Providers throughout our supply chain

<sup>(1)</sup> This goal has been modified from previous wording ("conduct life cycle assessments of key products"), as we have broadened the scope of the goal.



# Appendix B – Data Tables

## Environmental Management

Table 17

### 2013 Emissions to Air by Type (Tonnes)<sup>(1)(2)(3)(4)(5)(6)</sup>

Operation	Particulate Matter (less than 10 microns)	Particulate Matter (less than 2.5 microns)	Sulphur Oxides (SOx)	Nitrogen Oxides (NOx)	Carbon Monoxide (CO)	Volatile Organic Compounds	Mercury (Hg)
Cardinal River	483	41	2.1	59	3.5	0.11	n/m
Coal Mountain	384	38	0.09	29	18	1.08	n/m
Duck Pond	21	2	0.74	13.8	45	n/m	n/m
Elkview	2,767	229	1.89	13	62	4.04	n/m
Fording River	3,983	344	2.1	19	57	3.74	0.00
Greenhills	2,654	233	11.1	127	56	9.44	1.00
Highland Valley Copper	7,192	2,677	31.5	262	1,075	23.5	n/m
Line Creek	1,997	136	0.29	3.7	17	1.10	n/m
Quebrada Blanca	7	1	178	738	2.8	0.35	n/m
Red Dog	449	n/m	1.67	2692	243	140	0.004
Trail Operations	261	205	4,415	293	69	12.6	0.19

<sup>(1)</sup>Requirements and methods for determining air emissions can vary widely. In most cases, measured emissions from point sources such as stacks are included, while other operations estimate diffuse (i.e., fugitive) emissions from sources such as stockpiles and roads. Not all sites have monitoring equipment in place to measure releases from all sources and activities, and not all sites estimate fugitive emissions.

<sup>(2)</sup>“n/m” stands for not measured.

<sup>(3)</sup>Our Canadian sites reports annually to the National Pollutant Release Inventory (NPRI). Our Red Dog Operations also reports a different scope of air emissions data to the Toxic Release Inventory (TRI), which contains different reporting requirements and, in some cases, alternative calculation methods. Both the NPRI and TRI contain information on chemical releases and waste management activities reported annually by certain facilities

<sup>(4)</sup>Particulate emissions (i.e., dust) vary significantly by operation due to a number of factors, including weather conditions, location and size of stockpiles, terrain and volume of materials moved.

<sup>(5)</sup>Air emissions types not included in the table, such as persistent organic pollutants, are not required to be reported by permit or legislation and are not material.

<sup>(6)</sup>Information for Carmen de Andacollo Operations was not available at the time of this report’s publication.



## Community

Table 18

### Percentage of Local Employees in Senior Management Roles<sup>(1)</sup>

Operation	2013	2012
Cardinal River	100	100
Carmen de Andacollo	100	100
Coal Mountain	100	78
Duck Pond	73	47
Elkview	83	82
Fording River	93	92
Greenhills	100	100
Highland Valley Copper	100	62
Line Creek	94	94
Pend Oreille	57	80
Quebrada Blanca	39	42
Red Dog	63	67
Trail Operations	100	100

<sup>(1)</sup>Senior management is defined as employees in band 10 and above.

Figure 19

### 2013 Total Feedback Received by Communities of Interest by Topic Category

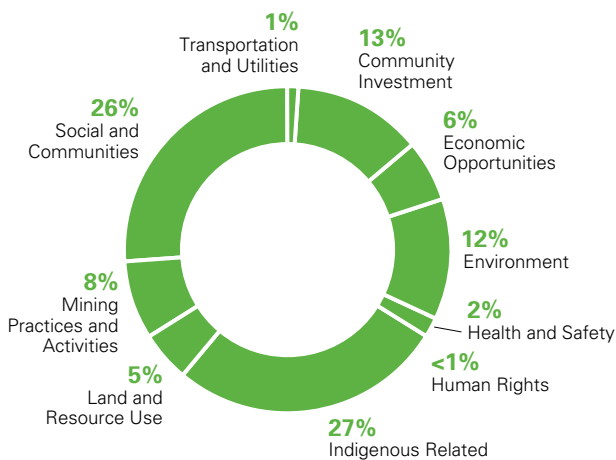


Figure 20

### Total 2013 Significant Feedback Received by Communities of Interest by Topic Category

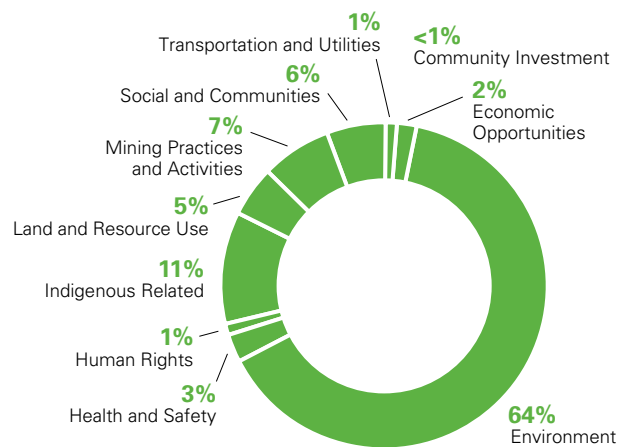


Table 19

**Percentage of Spending on Locally Based Suppliers**

Operation	2013 (%)	2012 (%)	2011 (%)	Definition of Local
Cardinal River	6	8	14	Regional
Carmen de Andacollo	14	10	8	Regional
Elk Valley Steelmaking Coal Operations	30	38	44	Regional
Duck Pond	59	53	52	Province-wide
Highland Valley Copper	26	26	27	Regional
Pend Oreille	25	21	27	Regional
Quebrada Blanca	13	13	6	Regional
Red Dog	60	51	57	State-wide
Trail Operations	29	34	26	Regional

Table 20

**Progress Towards Implementing the United Nations Guiding Principles on Business and Human Rights**

Guiding Principle	Teck's Performance
A policy commitment to meet the responsibility to respect human rights	Human Rights Policy endorsed by the Board of Directors and released in 2012 Creation of a Human Rights Working Group charged with the implementation of the policy
A human rights due diligence process to identify, prevent, mitigate and account for how businesses address their impacts on human rights	Site-based human rights assessment pilot completed for two of our sites and learnings shared across sites
Processes to enable the remediation of any adverse human rights impacts that businesses cause or contribute to	Community feedback mechanism implemented at 12 operations and three resource development projects

**Our People**

Table 21

**Voluntary Turnover Number by Age and Gender** (as at 2013 year-end)<sup>(1)</sup>

	Female					Total	Male					Total	Grand Total
	<30	30-39	40-49	50-59	60+		<30	30-39	40-49	50-59	60+		
<b>North America</b>	19	14	10	10	1	54	63	123	79	65	64	394	<b>448</b>
Canada	18	12	10	7	1	48	61	114	75	61	64	375	<b>423</b>
United States	1	2	0	3	0	6	2	9	4	4	0	19	<b>25</b>
<b>South America</b>	4	8	1	0	0	13	9	36	31	14	7	97	<b>110</b>
Chile	3	8	1	0	0	12	9	35	31	14	7	96	<b>108</b>
Peru	1	0	0	0	0	1	0	1	0	0	0	1	<b>2</b>
<b>Other</b>	0	0	0	0	0	0	0	1	0	0	0	1	<b>1</b>
<b>Total</b>	<b>23</b>	<b>22</b>	<b>11</b>	<b>10</b>	<b>1</b>	<b>67</b>	<b>72</b>	<b>160</b>	<b>110</b>	<b>79</b>	<b>71</b>	<b>492</b>	<b>559</b>

<sup>(1)</sup> Turnover number is based on full-time, permanent employees only.

## Our People (continued)

Table 22

### Voluntary Turnover Rate by Age and Gender Percentage (as at 2013 year-end)<sup>(1)</sup>

	Female (%)					Total (%)	Male (%)					Total (%)	Grand Total (%)
	<30	30-39	40-49	50-59	60+		<30	30-39	40-49	50-59	60+		
<b>North America</b>	11	4	3	4	2	5	7	6	5	3	9	5	<b>5</b>
Canada	12	4	3	3	2	5	7	6	5	3	10	5	<b>5</b>
United States	6	10	0	14	0	7	2	8	4	3	0	4	<b>4</b>
<b>South America</b>	8	9	2	0	0	6	4	8	7	5	16	6	<b>6</b>
Chile	6	9	2	0	0	6	4	8	7	5	16	6	<b>6</b>
Peru	100	0	0	0	0	13	0	20	0	0	0	7	<b>9</b>
<b>Other</b>	0	0	0	0	0	0	0	5	0	0	0	2	<b>1</b>
<b>Total</b>	<b>10</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>5</b>	<b>3</b>	<b>9</b>	<b>5</b>	<b>5</b>

<sup>(1)</sup>Turnover number is based on full-time, permanent employees only.

Table 23

### Total Turnover Number by Age and Gender (as at 2013 year-end)<sup>(1)</sup>

	Female					Total	Male					Total	Grand Total
	<30	30-39	40-49	50-59	60+		<30	30-39	40-49	50-59	60+		
<b>North America</b>	24	24	16	22	11	97	77	145	91	165	197	675	<b>772</b>
Canada	19	19	13	19	8	78	62	128	82	157	191	620	<b>698</b>
Mexico	0	1	1	0	0	2	0	0	2	0	1	3	<b>5</b>
United States	5	4	2	3	3	17	15	17	7	8	5	52	<b>69</b>
<b>South America</b>	7	17	6	3	1	34	22	74	86	42	18	242	<b>276</b>
Argentina	0	0	0	0	0	0	0	0	1	0	0	1	<b>1</b>
Chile	6	17	5	3	1	32	22	73	85	42	18	240	<b>272</b>
Peru	1	0	1	0	0	2	0	1	0	0	0	1	<b>3</b>
<b>Other</b>	0	0	0	0	0	0	0	1	0	0	0	1	<b>1</b>
<b>Total</b>	<b>31</b>	<b>41</b>	<b>22</b>	<b>25</b>	<b>12</b>	<b>131</b>	<b>99</b>	<b>220</b>	<b>177</b>	<b>207</b>	<b>215</b>	<b>918</b>	<b>1049</b>

<sup>(1)</sup>Turnover number is based on full-time, permanent employees only. Total turnover includes involuntary, voluntary (resignations) and retirements.

Table 24

**Total Turnover Rate by Age and Gender Percentage** (as at 2013 year-end)<sup>(1)</sup>

	Female (%)					Total (%)	Male (%)					Total (%)	Grand Total (%)
	<30	30-39	40-49	50-59	60+		<30	30-39	40-49	50-59	60+		
<b>North America</b>	14	7	5	8	22	9	9	8	5	7	27	9	<b>9</b>
Canada	12	6	4	8	19	7	8	7	5	7	29	9	<b>9</b>
Mexico	0	100	100	0	0	100	0	0	100	0	100	43	<b>56</b>
United States	28	20	11	14	33	20	19	15	7	7	7	11	<b>12</b>
<b>South America</b>	14	18	11	50	50	17	10	16	18	14	40	16	<b>16</b>
Argentina	0	0	0	0	0	0	0	0	100	0	0	33	<b>33</b>
Chile	12	19	10	50	50	16	10	16	18	14	41	16	<b>16</b>
Peru	100	0	33	0	0	25	0	20	0	0	0	7	<b>14</b>
<b>Other</b>	0	0	0	0	0	0	0	5	0	0	0	2	<b>1</b>
<b>Total</b>	<b>14</b>	<b>9</b>	<b>6</b>	<b>9</b>	<b>22</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>27</b>	<b>10</b>	<b>10</b>

<sup>(1)</sup> Turnover number is based on full-time, permanent employees only. Total turnover includes involuntary, voluntary (resignations) and retirements.



# Appendix C – Our Communities of Interest

COI Category	Sub-Category and Description	Description	Priority Engagement Topics in 2013
<b>Employees</b>	Teck employees	Union, non-union, full-time employees, part-time employees and contractors	<ul style="list-style-type: none"> <li>• Career and professional development</li> <li>• Economic conditions and company updates</li> <li>• Employee charitable giving</li> <li>• Environment and sustainability</li> <li>• Health and well-being</li> <li>• Incorporating safety and sustainability into performance incentives</li> <li>• Safety strategies and systems</li> </ul>
<b>Public</b>	Community residents	Includes Indigenous and non-Indigenous communities	<ul style="list-style-type: none"> <li>• Community investment</li> <li>• Economic opportunities</li> <li>• Environment</li> <li>• Health and safety</li> <li>• Indigenous related</li> <li>• Land and resource use</li> <li>• Mining practices and activities</li> </ul>
	General public	Includes those outside of project/site-affected communities with an interest in our activities	<ul style="list-style-type: none"> <li>• Coal exports</li> <li>• Dusting</li> <li>• Environment</li> <li>• Water quality</li> </ul>
<b>Special interest groups</b>	Community organizations	Community based institutions (e.g. schools and health centres), charitable and development organizations	<ul style="list-style-type: none"> <li>• Community investment opportunities</li> </ul>
	Non-governmental organizations (NGOs) and multinational organizations	Includes organizations that are focused primarily on advocacy and are local, national and international in scope	<ul style="list-style-type: none"> <li>• Community investment opportunities</li> <li>• Global topics of interest (e.g., water, climate change, human rights and zinc deficiency)</li> <li>• Resource revenue transparency (e.g., payments to government)</li> <li>• Site-specific topics</li> </ul>
<b>Public/private institutions</b>	Academic and research	Academic institutions and research organizations	<ul style="list-style-type: none"> <li>• Research partnerships</li> <li>• Training programs</li> </ul>
<b>Government</b>	Local/community	Local government body or institution (e.g., town council, mayor's office)	<ul style="list-style-type: none"> <li>• Community investment opportunities</li> <li>• Environment</li> <li>• Local hiring and procurement</li> <li>• Social issues</li> </ul>
	Regional	Government body or institution below the sub-national (e.g., within a state or province) level	<ul style="list-style-type: none"> <li>• Regional hiring and procurement</li> <li>• Environment</li> <li>• Social issues</li> </ul>

COI Category	Sub-Category	Description	Priority Engagement Topics in 2013
<b>Government (continued)</b>	Sub-national (state/provincial)	Sub-national government body or institution (e.g., state, province, territory and region)	<ul style="list-style-type: none"> <li>• First Nations Treaties</li> <li>• Infrastructure</li> <li>• Skills training</li> <li>• Permits and certificates</li> <li>• Water quality</li> </ul>
	National/federal	National-level (federal) government body or institution	<ul style="list-style-type: none"> <li>• Corporate social responsibility</li> <li>• Legislation and regulation (e.g., <i>Canadian Environmental Assessment Act</i>, <i>Fisheries Act</i>, and <i>Metal Mining Effluent Regulations</i>)</li> <li>• Skills training</li> <li>• Trade</li> </ul>
	International	Intra-governmental bodies and foreign organizations	<ul style="list-style-type: none"> <li>• Regulations affecting transportation, product classification and handling (e.g., European REACH regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals, marine regulations)</li> </ul>
<b>Indigenous Peoples</b>	Indigenous governments, organizations, businesses, land users and stakeholders	Agencies representing an Indigenous group (such as councils or leadership, cultural representatives), organizations run by/for an Indigenous group (includes health, education, environmental), Indigenous-controlled goods and service providers and traditional land users	<ul style="list-style-type: none"> <li>• Agreements (e.g., impact benefit agreements, engagement protocols, exploration agreements)</li> <li>• Community investment opportunities</li> <li>• Environment</li> <li>• Indigenous rights and title</li> <li>• Protection of heritage sites</li> <li>• Regulatory approvals</li> <li>• Traditional land use</li> </ul>
<b>Commercial or business interests</b>	Commercial interest	Includes joint ventures, large contractors and customers	<ul style="list-style-type: none"> <li>• Commercial, operational and financial matters</li> <li>• Commercial matters</li> <li>• Logistics and transportation</li> <li>• Materials stewardship</li> <li>• Potential human rights issues in the supply chain</li> </ul>
	Industry associations or business groups	Associations, groups or consortiums representing businesses (e.g., mining associations, sustainable business organizations) and Indigenous business associations	<ul style="list-style-type: none"> <li>• Regulatory issues</li> <li>• Social issues</li> <li>• Sustainability</li> </ul>
	Investors	Institutional investors, other equity holders, debt holders and banks	<ul style="list-style-type: none"> <li>• Environment</li> <li>• Financial performance and state of the company</li> </ul>
<b>Lands, resources and property interests</b>	Land users (tenured/licensed)	Includes licences to use an area of land and/or its resources, including hunting/guiding licences, commercial recreation licences (e.g., backcountry hiking, heli-skiing), commercial fishing licences, mining/exploration licences, forest harvest licences, trapping licences, oil and gas licences, grazing licences, etc.; also includes those with rights-of-way, easements and other non-ownership land tenures	<ul style="list-style-type: none"> <li>• Commercial use</li> <li>• Easements</li> <li>• Land access</li> <li>• Public safety</li> <li>• Recreational access</li> </ul>

COI Category	Sub-Category	Description	Priority Engagement Topics in 2013
<b>Lands, resources and property interests (continued)</b>	Land users (untenured)	Known land users, though they may not own or have formal licence for an area. Includes recreational users (e.g., hikers, snowmobilers, boaters), and subsistence users (e.g., hunting, gathering, fishing)	<ul style="list-style-type: none"> <li>• Biodiversity</li> <li>• Recreational access</li> </ul>
	Private land owner	Manages private land for residential, commercial or conservation (e.g. land trust) purposes	<ul style="list-style-type: none"> <li>• Land use</li> </ul>
	Water user	Includes those with a licence for water use or extraction	<ul style="list-style-type: none"> <li>• Water access, quality and allocation</li> <li>• Water monitoring</li> </ul>

# Appendix D – Our Memberships, External Standards and Commitments

We are members of numerous industry associations and are involved in organizations that provide a platform for advancing sustainability. 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, enabling us to evolve with the best sustainability practices in our industry.

## Extractive Industry Associations

### Canada's Oil Sands Innovation Alliance (COSIA)

COSIA is an alliance of oil sands producers focused on accelerating the pace of improvement in environmental performance in Canada's oil sands through collaborative action and innovation.

### Canadian Association of Petroleum Producers (CAPP)

CAPP represents companies that explore for, develop and produce natural gas and crude oil throughout Canada. CAPP is focused on enhancing the economic sustainability of the Canadian upstream petroleum industry. CAPP's member companies produce about 90% of Canada's natural gas and crude oil.

### Extractive Industries Transparency Initiative (EITI)

The EITI aims to strengthen governance by improving transparency and accountability in the extractives sector. The only EITI-implementing country where we currently have operations is Peru, and payments from the Antamina mine in that country to government are publicly disclosed in accordance with EITI standards.

### International Copper Association (ICA)

The ICA's mission is to defend and grow markets for copper, based on its superior technical performance and its contribution to a higher quality of life worldwide.

### International Council on Mining and Metals (ICMM)

ICMM is a global industry association that represents leading international mining and metals companies. Member companies are required to implement the 10 Sustainable Development Framework Principles to produce an externally verified sustainability report at the Global Reporting Initiative (GRI) A+ level, as well as to adopt the ICMM Assurance Procedure.

### International Lead Association (ILA)

The ILA is dedicated to encouraging the responsible use of lead and its compounds. Representing lead producers from all over the world, ILA is the umbrella global organization that interfaces with regional organizations.

### International Zinc Association (IZA)

IZA is a non-profit organization that promotes the role that zinc plays in product applications, human health and crop nutrition. Representing the global zinc industry, the IZA highlights zinc's contribution to sustainable development. Teck supports Zinc Saves Kids, a program created through a partnership between the IZA and the United Nations Children's Fund (UNICEF) to provide inexpensive zinc supplements to children.

### Mining Association of British Columbia (MABC)

MABC represents the collective needs and interests of B.C.'s mining industry. MABC promotes the economic and social value of mining by liaising with government, regulators and the industry. We are active in MABC committees and work with MABC members to discuss issues of common concern.

### Mining Association of Canada (MAC)

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 Towards Sustainable Mining (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-audits at our operations and are subject to third-party verification audits in accordance with TSM standards for social and environmental responsibility.

### National Mining Association (NMA)

The NMA is an American trade organization that represents the interests of mining before Congress, the administration, federal agencies, the judiciary and the media. NMA's mission is to build support for public policies that will help America fully and responsibly utilize its coal and mineral resources.



### **Prospectors and Developers Association of Canada (PDAC)**

The PDAC represents the interests of the Canadian mineral exploration and development industry, providing advocacy, information and networking. PDAC developed the Environmental Excellence in Exploration (e3 Plus), a framework for responsible exploration that integrates exploration with social responsibility and environmental stewardship, as well as health and safety. We incorporated the PDAC framework into the development of our Health, Safety, Environment and Community (HSEC) Management Standards and into the Social Management and Responsibility at Teck (SMART) Exploration Tool.

### **Sociedad Nacional de Minería (SONAMI)**

SONAMI is a trade association that brings together and represents large-, medium- and small-scale metallic and non-metallic mining companies in Chile. SONAMI makes significant contributions to the development of private mining institutions and mining legislation, as well as the training and professional development of workers in the mining sector.

### **Other Associations**

#### **British Columbia Human Resources Task Force**

The B.C. HR Task Force: Exploration, Mining, Stone, Sand & Gravel is a broad sector partnership involving over 40 senior business leaders, employee representatives, Aboriginal representatives, and industry associations from the B.C. mining industry, along with representation from training and education providers and government agencies as needed. The Task Force was initially formed in 2007 to identify the labour shortage facing the industry in B.C. After identifying the looming shortage, the B.C. Task Force expanded its mission to include planning, developing and implementing pilot programs to ensure that the mining industry in B.C. has the human resources needed to support the growth of the sector.

#### **Canadian Council for Aboriginal Business (CCAB)**

The CCAB is a non-profit organization committed to the full participation of Aboriginal Peoples in Canada's economy. CCAB promotes business opportunities by providing knowledge, resources and programs that build relationships between the Aboriginal business community and companies operating in Canada.

#### **Excel Partnership**

Founded by Globe Foundation of Canada and Delphi Group, the Excel Partnership of major Canadian corporations is committed to sustainable development leadership through continual improvement of social and environmental performance.

### **Industry Council for Aboriginal Business (ICAB)**

The ICAB facilitates programs furthering dialogue and relationship building between Aboriginal and non-Aboriginal businesses and communities throughout British Columbia. Teck is a partner in the Aboriginal Business Leadership Exchange (ABLE) program, which brings together Aboriginal and non-Aboriginal leaders to learn about each other's workplaces and cultural and social environments, as well as decision-making processes.

### **Mining Industry Human Resources Council (MiHR)**

MiHR is the council for the Canadian minerals and metals industry. A recognized leader in the development and implementation of national human resources solutions, MiHR contributes to the strength, competitiveness and sustainability of the Canadian mining sector. Their products and services supporting their endeavours are based on sound research into the skills and labour market issues that matter most to the Canadian mining industry.

### **National Institute of Disability Management and Research (NIDMAR)**

NIDMAR, founded in 1994, is an internationally recognized organization committed to reducing the human, social and economic costs of disability. As an education, training and research organization, NIDMAR's primary focus is the implementation of workplace-based reintegration programs, which international research has proven is the most effective way of restoring and maintaining workers' abilities, while reducing the costs of disability for workers, employers, government and insurance carriers.

### **Network for Business Sustainability (NBS)**

Teck is part of the Leadership Council of the NBS. The Leadership Council, formed by industry leaders from key economic sectors, collaborates with the federal government and representatives from non-governmental organizations to address pertinent sustainability issues and challenges.

### **United Nations Global Compact (UNGC)**

The UNGC provides a framework for businesses committed to aligning their operations and strategies with 10 principles spanning human rights, labour, the environment and anti-corruption. We became a participating company in April 2007. In early 2011, our participation in the UNGC extended to include Global Compact LEAD, which challenges leading companies to pave the way for new efforts aimed at improving sustainability performance to meet today's challenges in human rights, labour, the environment and anti-corruption. Participating companies are required to submit annual communication on progress towards incorporating the UNGC goals and principles.

### **World Economic Forum (WEF)**

WEF, established in 1971, is an international institution committed to improving the state of the world through public-private cooperation. WEF engages political, business, academic and other leaders of society in collaborative efforts to shape global, regional and industry agendas. WEF is independent, impartial and not tied to any special interest, working in close cooperation with all major international organizations.

### **World Ocean Council (WOC)**

The WOC brings together leaders from a wide range of ocean industries to collaborate in a shared goal of healthy and productive seas and their sustainable use, development and stewardship via a responsible ocean business community.

### **External Standards and Commitments**

Our policies and practices are informed by the following external standards and resources:

#### **AccountAbility (AA) 1000 Standards**

AccountAbility's standards, the AA1000 Series, are principles-based standards that provide the basis for improving sustainability performance. We follow AA1000 standards to guide our process of our corporation-wide stakeholder engagement program and sustainability reporting.

#### **Carbon Disclosure Project (CDP)**

The CDP is an independent not-for-profit organization working to drive greenhouse gas (GHG) emissions reduction and sustainable water use by businesses and cities. On behalf of participants, CDP seeks and obtains information from the world's largest companies on the business risks and opportunities posed by climate change, as well as their GHG data. Since 2006, we have responded to CDP, and starting in 2011, we also began submitting a response to CDP Water Disclosure. Our response can be found on the CDP website.

#### **Global Reporting Initiative (GRI)**

The GRI pioneered what is now the world's most widely used sustainability reporting framework, based on a balance of economic, environmental and social issues. We apply GRI's G3 Guidelines and the Mining and Metals Sector Supplement to ensure that our sustainability report presents a complete and accurate picture of our operations.

### **Greenhouse Gas (GHG) Protocol for Calculating Emissions**

The GHG Protocol for emissions inventory calculations is derived from the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Our energy and carbon accounting practices follow rigorous standards set by regulators in the United States, British Columbia and Alberta, and across the rest of Canada. The most significant of these is the verification of our GHG emissions to a "reasonable level of assurance" required for B.C. facilities emitting greater than 25,000 tonnes of carbon dioxide-equivalent (CO<sub>2</sub>e) per annum under the provincial *Greenhouse Gas Reduction (Cap and Trade) Act (GGRCTA)* Reporting Regulation.

### **International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability**

IFC applies social and environmental performance standards to all projects financed by the IFC and by Equator Principles Financial Institutions in order to minimize impacts on the environment and on affected communities. Where appropriate, the Performance Standards are incorporated into our management standards or associated guidance documents.

### **International Labour Organization (ILO)**

The ILO is a tripartite United Nations (UN) agency uniting member governments, employers and workers in common pursuit of social justice and internationally recognized human and labour rights. We incorporate several ILO standards (e.g., child/forced labour, Indigenous and Tribal Peoples' issues, minimum wage, overtime and working ages) into our labour standards and practices.

### **International Organization for Standardization (ISO) 14000**

The ISO 14000 environmental management standards exist to help organizations manage impacts on air, water or land.

### **International Organization for Standardization (ISO) 26000**

ISO 26000 is designed to establish common guidance on corporate social responsibility concepts, as well as definitions and methods of evaluation for voluntary use by organizations in both developed and developing areas of the world. The standards help define our social responsibility strategies.

### **London Benchmarking Group (LBG) Model**

The LBG model, an internationally recognized framework, helps companies measure, manage, assess and report on the value and achievements of community investment. The model is used by companies around the world to assess the value and impact of their community investment to both business and society. We are using the model to help us better understand and report on our community investments.

### **Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises**

These voluntary principles and standards for responsible business conduct address a variety of issues including employment and industrial relations, human rights, environment, information disclosure, combatting bribery, consumer interests, science and technology, competition and taxation. We apply the OECD Guidelines to inform our research on international best practices.

### **United Nations Declaration of Human Rights**

Thirty articles outline the view of the General Assembly on human rights for all people, which we publicly support and apply to guide our business practices. This informed the development of our Human Rights Management Standard in the Health, Safety, Environment and Community (HSEC) Management Standards.

### **United Nations Guiding Principles on Business and Human Rights**

Endorsed by the United Nations Human Rights Council in 2011, the United Nations Guiding Principles (UNGPs) on Business and Human Rights are internationally recognized guidelines setting out the roles of businesses and governments in preventing and addressing adverse impacts on human rights linked to business activity.

### **United Nations Millennium Development Goals (MDGs)**

Targeted for 2015, eight different MDGs range from halving extreme poverty to halting the spread of HIV/AIDS to providing universal primary education. The goals form a blueprint agreed to by all United Nations Member States and the world's leading development institutions. We use the MDGs as a guide for our sustainable development vision and have tied our community investment program to measurable progress on MDGs.

# Glossary

**Area of Influence:** The range or extent of contractual, political, economic or other relationships through which an organization has the ability to materially impact others.

**Artisanal and Small-Scale Mining (ASM):** Artisanal mining may involve individuals or families using pre-industrial techniques, compared to small-scale mining, which may be more extensive and more mechanized. However, both are labour intensive, explore small or marginal deposits, and are characterized by poor access to markets, lack of standards for health and safety, and low capital input. ASM, which ranges from informal subsistence mining by individuals to small formal commercial mining operations, can provide a key source of income in many communities.

**Biodiversity:** An abbreviation for “biological diversity,” biodiversity refers to the variety of life on earth: the different animals, plants and micro-organisms, and the ecosystems of which they are a part.

**Cap and Trade System:** A mechanism designed to limit and reduce greenhouse gas (GHG) emissions by setting a decreasing limit on their emissions (the cap) and by allowing entities within the system to trade their excess/debt to meet the overall reduction target.

**Carbon Accounting:** The practice of measuring and quantifying GHG emissions, accounting for both emitting sources (e.g., fossil fuel combustion) and “sinks” that remove GHG from the atmosphere (e.g., forests).

**Carbon Dioxide Equivalent Emissions (CO<sub>2</sub>e):** A unit of measure that converts the emissions of different greenhouse gases into their carbon dioxide equivalent. This allows easier comparison of GHG emissions by using carbon dioxide as a standard unit of reference.

**Charter of Corporate Responsibility:** A set of principles related to business ethics, environment, safety, health and community that governs all of our operating practices and provides overarching sustainability governance commitments.

**Closure Plan:** A plan that establishes considerations for the closure of an operation under social, economic and environmental parameters that may change over generations. It requires community engagement throughout the mining life cycle.

**Code of Ethics:** This sets out our company’s dedication to upholding high moral and ethical standards, and specifies basic business conduct and behaviour.

**Code of Sustainable Conduct:** Outlines our commitments to sustainable development.

**Communities of Interest (COIs):** Any individuals or groups that may be affected by, have an interest in, or have the ability to influence our activities. These include academic and thought leaders, employees, government and regulatory staff, Indigenous Peoples, industry associations, investment communities, local communities, non-governmental organizations, peers, and business partners and suppliers. See Appendix C on pages 112–114 for a more detailed description of our COIs.

**Community Investment:** A voluntary action or contribution by a company, beyond the scope of their normal business operations, intended to benefit communities of interest in ways that are sustainable and support business objectives.

**Concentrates:** A product containing valuable minerals from which most of the waste minerals in the ore have been eliminated in a mill or concentrator.

**Electronic Waste (E-waste) Recycling:** The process of recycling end-of-life electronics, also known as e-waste, to recover valuable metals that are then reused in new products. E-waste recycling diverts recyclable materials from landfills and extends the life of our natural resources by utilizing what has already been mined.

**Engagement:** A process of contact, dialogue and interaction that ensures that all parties of interest are informed and participating in decisions that affect their future.

**Global Reporting Initiative (GRI):** The world’s most widely used sustainability reporting framework, consisting of principles, guidelines and indicators to measure and report on an organization’s economic, environmental and social performance.

**Greenhouse Gas (GHG) Emissions:** The major GHGs accounted for within this report and as identified under the Kyoto Protocol are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>).

**Grievance/Feedback Mechanism:** A process that allows us to receive, and effectively organize our response to, feedback from COIs on matters of interest to them related to our activities. Feedback may include questions, issues, ideas, concerns or complaints from COIs.

**Health and Safety Policy:** Our company policy that fortifies a corporate commitment to providing leadership and resources for entrenching core values of health and safety.



**Health, Safety, Environment and Community (HSEC) Management Standards:** A set of standards that provide a consistent and systematic framework for identifying HSEC issues and helps ensure that HSEC risks are properly and efficiently managed.

**Human Rights:** Refers to the concept of human beings having universal rights, or status, regardless of legal jurisdiction or other localizing factors such as ethnicity, nationality and sex. Human rights covers many issues relevant to a mining company, including health and safety, discrimination, poverty alleviation, Indigenous rights, access to natural resources, and human health. As such, companies have the potential to affect human rights through their relationship with employees, the environment and communities.

**Impact (in terms of health, safety, environment and community):** Any change to the environment or to the health, safety and well-being of people, whether adverse or beneficial, wholly or partially resulting from our activities or products.

**Impact Assessments:** A study that evaluates the actual or potential impacts (positive or negative) that a site may have on its communities of interest.

**Indigenous Peoples:** Cultural groups and their descendants who have a historical association with, and continuity in, a particular region or part of a region. They have a cultural identity and, as minorities, they may be vulnerable to current social and economic systems. Indigenous Peoples is the globally used term and Aboriginal Peoples is the term used in Canada. There are three Aboriginal groups in Canada: First Nations, Inuit and Métis. Indigenous Peoples are one of our COIs.

**Indirect Economic Impacts:** As defined by GRI Economic Indicator Protocol Set, they are the result (often non-monetary) of direct economic impacts (the transactions between an organization and its stakeholders).

**Indirect Energy Use:** The energy used by Teck but generated by sources owned and controlled by another company (imported electricity, heat or steam).

**International Organization for Standardization (ISO) 14000:** The family of ISO standards that addresses various aspects of environmental management. It enables an organization of any size or type to identify and control the environmental impact of its activities, products or services, and helps organizations continuously improve their environmental performance and implement systematic approaches to setting their environmental objectives and targets.

**International Organization for Standardization (ISO) 14001:** Provides a framework for a strategic approach to an organization's environmental policy plans and actions, outlining the requirements for environmental management systems that are environmentally sustainable.

**Life Cycle Analysis:** A full assessment of a product's impact at every stage of its lifespan, from mining the product, to process and function, to sales and distribution, and appropriate end-of-life management.

**Local Content:** Refers to local procurement and employment at a given site.

**Lost-Time Injury:** An injury resulting in the individual being unable to perform his/her duties on the next scheduled work shift following the initial date of the injury. Lost time is days lost beyond the day of the injury.

**Materiality:** For the purposes of this report, we regard our material topics and interests as those that may affect the long-term success of our business, including our ability to create and preserve economic, environmental and social value. Material topics and interests include those that have the potential to influence the perception of COIs, including those who intend to make decisions and assessments about our commitment to sustainability. Materiality, in this context, is the threshold at which an issue or interest becomes sufficiently important that it should be reported.

**Non-Governmental Organization (NGO):** A non-profit group largely funded by private contributions and operated outside of institutionalized government or political structures. NGOs focus on environmental and social issues at local, regional, national and international levels.

**Occupational Health and Safety Assessment Series (OHSAS) 18001:** An international occupational health and safety management system specification.

**Oil Sands:** A petroleum deposit containing a mixture of water, clay, sand and a dense form of petroleum called bitumen. Bitumen is processed and upgraded to resemble light crude oil. Surface mining removes bitumen deposits close to the surface and in situ production recovers underground deposits.

**Ore Deposit:** Naturally occurring material from which minerals of economic value can be extracted at a reasonable profit.

**Reclamation:** The restoration of a site after mining or exploration activity is completed. Reclamation initiatives are used to create diverse environments that are similar to the pre-mining landscape. These landscapes are meant to attract a variety of wildlife species and to function in ways that will sustain biodiversity over time.

**Resource Development Project:** A project that satisfies a set of predefined characteristics, such as its degree of current development, and has as its ultimate aim the development of a subsurface mineral or energy resource into a revenue-generating operation.

**Safety and Sustainability Committee:** A committee of our Board of Directors that oversees management's implementation of safety and sustainability practices throughout the company.

**Scope 1 (Direct) Greenhouse Gas Emissions:**

Emissions that occur from energy sources that are owned or controlled by the company.

**Scope 2 (Indirect) Greenhouse Gas Emissions:**

Emissions that occur from the generation of purchased electricity consumed by the company. Scope 2 emissions physically occur at the facility where electricity is generated.

**Scope 3 (Other Indirect) Greenhouse Gas**

**Emissions:** Other indirect emissions not covered in scope 1 or 2, such as emissions that arise from sources owned or controlled by other companies within the value chain of a company. For example, emissions arising from business travel by employees, the use of our products, and the transportation of materials that we purchase and sell.

**Severity:** A measure of safety performance that illustrates the number of days lost due to injuries. Severity is a frequency measure based on every 200,000 hours worked and is calculated as follows: (number of days missed due to lost-time injuries x 200,000) divided by actual number of hours worked. A fatality is calculated as 6,000 days lost.

**Site:** A location under the management control of Teck. For example, these include exploration sites, facilities and operations.

**Social Baseline:** A study to understand the current socio-economic or human environment around a proposed project, mine or associated infrastructure.

**Social Management:** A management approach that identifies and manages social impacts, which are any positive or adverse consequences experienced by COIs resulting from the existence of, or changes to, our activities. Aspects of social management include our practices, capacity building, structures and systems.

**Socially Responsible Investing:** An investment strategy that assesses an organization's financial, environmental, social and governance performance.

**Tailings:** Ground rock that has no economically recoverable mineral content. Tailings are materials rejected from a mill after recoverable valuable minerals have been extracted.

**Total Recordable Injury Frequency (TRIF):** A key measure of safety performance that demonstrates the total number of recordable injuries per 200,000 hours worked. Recordable injuries include fatalities, lost-time injuries and injuries requiring medical aid. The types of incidents not included in the TRIF calculation include first aid injuries, high-potential incidents, non-injury property damage, and non-injury mobile equipment events. TRIF is calculated as follows:  $TRIF = (\text{number of medical aid injuries} + \text{number of lost-time injuries} + \text{number of fatal injuries} \times 200,000) \text{ divided by total number of hours worked}$ . The factor of 200,000 is derived from the average number of hours worked by 100 people in a one-year period (50 working weeks x 40 hours per week x 100 people). This factor is frequently used in North America.

**Universal Declaration of Human Rights (UDHR):**

A declaration adopted by United Nations General Assembly, describing the human rights guaranteed to all people.

# Global Reporting Initiative Finder

We are a member of the International Council of Mining and Metals (ICMM) and report according to their Sustainable Development Framework. We are also a United Nations Global Compact (UNGC) LEAD member and have incorporated reporting requirements for the UNGC principles and the Advanced Criteria in this report.

The GRI Finder below shows where you can find more information on each GRI indicator and how the indicators relate to the ICMM and UNGC principles, as well as to the UNGC Advanced Criteria. In some instances, reference is made to our 2013 Annual Report, 2014 Annual Information Form and 2014 Management Proxy Circular.

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
<b>Strategy and Analysis</b>					
1.1	Statement from the most senior decision maker.	8–9	●	2, 10	19
1.2	Description of key impacts, risks and opportunities.	8–9, 12–17, 21–31, 50–51, 66–67, 74–75, 82–83, 94–95, 104–106 Annual Information Form: 11–80	●	4	
<b>Organizational Profile</b>					
2.1	Name of the organization.	4 Annual Information Form: 8	●		
2.2	Primary brands, products and/or services.	4–5, 96 Annual Information Form: 14–41 Annual Report: 2, 10–17	●		
2.3	Operational structure of the organization.	4–7 Annual Information Form: 8–37	●		
2.4	Location of organization's headquarters.	4 Annual Information Form: 8	●		
2.5	Number of countries where the organization operates.	4–7 Annual Information Form: 9 Annual Report: 2, 4–5	●		
2.6	Nature of ownership and legal form.	Annual Information Form: 8–10	●		
2.7	Markets served.	4–7 Annual Information Form: 8–10, 14–41, 66 Annual Report: 4–5, 42–57	●		
2.8	Scale of the reporting organization.	4–7, 11, 56–57, 96 Management Proxy Circular: 1 Annual Information Form: 14–41, 40, 72–77 Annual Report: 3, 10–17, 39–42, 48, 52, 55, 58, 87	●		
2.9	Significant changes during the reporting period regarding size, structure or ownership including the location of or changes in operations.	There were no significant changes during the reporting period.	●		
2.10	Awards received in the reporting period.	8–9, 105	●		

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
<b>Report Parameters</b>					
3.1	Reporting period for information provided.	10–11	●		
3.2	Date of most recent previous report.	10	●		
3.3	Reporting cycle.	10–11	●		
3.4	Contact point for questions.	11	●		
3.5	Process for defining report content.	12–15	●		
3.6	Boundary of the report.	11	●		
3.7	Limitations on the scope or boundary of the report.	11	●		
3.8	Basis for reporting on other related entities.	11	●		
3.9	Data measurement techniques and the basis of calculations.	11, 101	●		
3.10	Explanation of the effect of any restatements.	11, 101	●		
3.11	Significant changes from previous reporting periods regarding the scope, boundary, or measurement methods applied in the report.	10–11, 101	●		
3.12	Location of the standard disclosures in the report.	122–130	●		
3.13	External assurance.	102–103	●		
<b>Governance, Commitments and Engagement</b>					
4.1	Governance structure.	18–19 Annual Information Form: 88–95, Schedule A pages A-1 to A-5 Annual Report: 152–153 Management Proxy Circular: 9–33, 82–84	●	1, 2	1, 20
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	18 Annual Report: 152	●	1	
4.3	How the company defines “independent” and “non-executive” members of the board.	18 Management Proxy Circular: 18–19, 84	●	1	
4.4	Mechanisms for recommendations to the highest governance body.	18–19 Management Proxy Circular: 82–84	●	1	
4.5	Linkage between compensation and the organization’s performance, including social and environmental performance.	19, 61 Management Proxy Circular: 39–54	●	1, 2	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	20 Management Proxy Circular: 28–29, 87	●	1	10



GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
<b>Governance, Commitments and Engagement (continued)</b>					
4.7	Qualifications and expertise of the highest governance body.	18 Management Proxy Circular: 9–15, 23–28	●	1, 2	
4.8	Internally developed statements of mission, values, codes and principles.	19–22	●	1, 2	9, 10
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks.	18–19 Management Proxy Circular: 29–30 The Safety and Sustainability Committee of the Board met four times in 2013.	●	1, 4	1, 2, 10, 11, 20
4.10	Processes for evaluating the highest governance body's performance.	19 Management Proxy Circular: 28	●	1	
4.11	Precautionary approaches or principle.	Pages 10–29 and the focus area sections of our report (pages 30–101) provide more detailed information on our management of health, safety, environment and community aspects of our activities, and to our approach to managing our key sustainability risks and opportunities.	●		7
4.12	Externally developed charters, principles or initiatives endorsed.	22, 44, 46, 53, 79, 96, 106, 109, 113, 115–118	●		9
4.13	Memberships in associations.	115–118	●		18
4.14	List of stakeholder groups engaged by the company.	112–114	●	10	21
4.15	Basis for identification and selection of stakeholders with whom to engage.	25, 40–41	●	10	21
4.16	Approaches to stakeholder engagement.	22–26, 30–31, 40–41, 112–114	●	10	21
4.17	Key topics and concerns that have been raised through stakeholder engagement.	42, 108, 112–114	●	10	
<b>Economic Development</b>					
	Disclosure on the management approach, including economic performance, goals, policies and other contextual information.	12–15, 30–31, 104–106 Annual Report	●		
EC1	Direct economic value generated and distributed.	21, 32–34 Annual Report	●	9	
EC2	Financial implications and other risks and opportunities due to climate change.	90 See our Carbon Disclosure Project response, available on <a href="http://www.cdp.net">www.cdp.net</a>	●	7	
EC3	Coverage of defined benefit plan obligations.	61 Annual Report: 71, 116–120	●		
EC4	Significant financial assistance received from government.	None.	●		
EC6	Spending on locally based suppliers.	36–37, 109	●	2	
EC7	Local hiring.	37–38, 108	●	9	6
EC8	Development and impact of infrastructure investments.	23, 32–34	●	9	

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
<b>Environment</b>					
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	12–15, 25–29, 66–67, 74–75, 82–83, 94–95, 104–106 Annual Report: 6–9, 26–37	●		8 9, 10, 11
EN1	Materials used by weight or volume.	27	●	6	8, 9
EN2	Percentage of materials used that are recycled input materials.	Percentage quantification of recycled input materials to new input materials is an insignificant number for Teck since the majority of our key input materials do not include recycled content.	●	6, 8	8
EN3	Direct energy consumption by primary energy source.	84–86, 100–101	●	6	8
EN4	Indirect energy consumption by primary source.	84–86, 100–101	●	6	8
EN5	Energy saved due to conservation and efficiency improvements.	82–83, 87–88, 106	●	6, 8	8, 9
EN6	Initiatives to provide energy-efficient or renewable energy-based services resulting in reductions in energy requirements.	90, 106	●		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	87 Initiatives we have put in place to reduce Scope 3 emissions include minimizing corporate travel and encouraging the use of teleconference and videoconferencing. Tracking and reporting on all initiatives to reduce indirect energy consumption, as defined by the Global Reporting in this indicator, is not material to us.	◐		
EN8	Total water withdrawal by source.	70, 100–101	●	6	8
EN10	Percentage and total volume of water recycled and reused.	70, 100–101	●	6, 8	8, 9
EN11	Location and size of land adjacent to protected areas and areas of high biodiversity value.	79, 100–101	●	7	8
EN12	Significant impacts on protected areas and areas of high biodiversity value.	74–81	●	7	8
EN13	Habitats protected or restored.	74–81	●	7	8
EN14	Strategies for managing impacts on biodiversity.	21–22, 26–29, 74–81	●	7	8
EN16	Total direct and indirect greenhouse gas emissions by weight.	87, 100–101, 117 For our greenhouse gas emissions accounting methodology, see the “Emissions Methodology” section of our Carbon Disclosure Project response, available on <a href="http://www.cdp.net">www.cdp.net</a>	●	6	8
EN17	Other relevant indirect greenhouse gas emissions by weight.	87	●	6	9
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	87–88, 106	●	6, 8	7, 8, 9

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
<b>Environment (continued)</b>					
EN19 Emissions of ozone-depleting substances by weight.	We have largely phased out products that contain ozone-depleting substances at our sites in accordance with provincial and federal legislation. These products are typically in air-conditioning or refrigeration equipment (e.g., Halon 1301 is employed primarily in automatic fixed systems for computer rooms). We do not emit ozone-depleting substances except in emergencies (e.g., fire) or due to an accidental malfunction. Our materiality assessment shows that this topic is not sufficiently important to our communities of interest to include in our reporting.	●	6	8	
EN20 NO, SO, and other significant air emissions by type and weight.	28, 107	●	6	8	
EN21 Total water discharge by quality and destination.	70, 100–101 All water discharge destinations are surface water. We have yet to determine an accurate way to summarize and report on total water quality at the corporate level.	●	6	8	
EN22 Total weight of waste by type and disposal method.	27, 100–101	●	6, 8	8	
EN23 Total number and volume of significant spills.	28, 100–101	●	6	8	
EN26 Mitigation of environmental impacts of products and services.	21–22, 26–29, 66–99 Information on environmental and health risks associated with our products is provided in our Materials Safety Data Sheets. Potential customers of new products are assessed regarding their ability to handle such materials and their byproducts in an environmentally sound manner.	●	6, 8	7, 8, 9	
EN27 Products sold and their packaging materials that are reclaimed by category.	This indicator is not material to Teck. Some unknown components of the metal contained in material we recycle at Trail Operations, such as e-waste and lead acid batteries, may have originated from Teck's metal products; however, it is not possible to determine this percentage. Additionally, the vast majority of our products are sold in bulk and do not have any packaging.	●		8, 9	
EN28 Monetary value of significant fines, and non-monetary sanctions.	28	●	6	8	
MM1 Amount of land disturbed or rehabilitated.	80, 100–101	●			
MM2 Sites identified as requiring biodiversity management plans, and sites with plans in place.	16–17, 74–78, 105	●			
MM3 Total amounts of overburden, rock, tailings and sludge presenting potential hazards.	27, 100–101	●			

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
<b>Human Rights</b>					
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	12–15, 30–31, 46, 104 Annual Report: 26–32	●		1, 2, 3, 4, 5, 6 3, 4, 5
HR1	Significant investment agreements that include human rights clauses or that have undergone human rights screening.	There were no significant investment agreements in 2013.	●	1, 3	1, 2, 3, 4, 5, 6 2, 3
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	At present, we do not specifically screen all of our suppliers or contractors on human rights compliance. To encourage ethical behaviour from our suppliers, we released our Recommended Protocols for Suppliers and Service Providers in 2012, and have made this supplier code of conduct publicly available on our website. In the case of formal tender processes for certain large contracts, we require contractors to provide information on their policies, procedures and commitments to promote and respect human rights. Through these assessments, we aim to mitigate risks and enhance benefits identified within the supply chain.	●	1, 3	1, 2, 3, 4, 5, 6 3
HR4	Incidents of discrimination and actions taken.	62	●	3	1, 2, 6 3, 4
HR5	Operations where the right to exercise freedom of association and collective bargaining may be at significant risk.	61–62	●	3	1, 2, 3 3, 4
HR6	Operations having significant risk for incidents of child labour.	46	●	3	1, 2, 5 3, 4
HR7	Operations having significant risk for incidents of forced or compulsory labour.	46	●	3	1, 2, 4 3, 4
HR8	Security personnel trained in the organization's policies or procedures concerning human rights.	Third-party security personnel working at all of our operations outside North America undergo human rights training. In jurisdictions identified as having higher risks for human rights abuses, training for human rights is included in security workshops. In North America, employees who generally perform security duties are provided with human rights training when it is determined to be a necessary component of their employment.	●		1, 2 3, 4
HR9	Incidents of violations involving rights of Indigenous Peoples.	42	●	3	1, 2 3, 4
MM5	Operations in or adjacent to Indigenous Peoples' territories, and formal agreements in place with Indigenous Peoples.	43–45	●		3, 4



GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
<b>Labour Practices and Decent Work</b>					
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	12–15, 50–51, 56–65, 104 Annual Report: 6–9, 18–25	●		1, 3, 6 6, 8
LA1	Total workforce.	56–57, 61–62 There are no material seasonal variations in employment numbers.	●		
LA2	Total number and rate of employee turnover.	64, 109–111	●	6	
LA4	Percentage of employees covered by collective agreements.	61–62	●	3	1, 3 7, 8
LA5	Minimum notice period(s) regarding operational changes.	61–62	●	3	
LA7	Rates of injury, occupational diseases, lost days and number of work-related fatalities.	54, 100–101, 104 We manage occupational diseases and absenteeism at a site-level. We do not track and report on these at a corporate level.	◐	5	1
LA8	Education, training, counselling, prevention and risk-control programs regarding serious diseases.	55	●	5	1
LA10	Average hours of training per year per employee by employee category.	While we do not track average training hours per employee, we are developing systems to track total spending on employee training. We anticipate reporting this number in the future.	◐	2	6
LA11	Programs for skills management and lifelong learning.	61–64	●		
LA12	Percentage of employees receiving regular performance and career development reviews.	62 Participation in the BSWP program includes an annual performance review.	●		
LA13	Composition of governance bodies and employees according to indicators of diversity.	18–19, 38, 57–60	●	3	1, 6
LA14	Ratio of basic salary of men to women by employment category.	Our operations are staffed predominantly by men, and our representation of women in professional, manager and executive roles is limited. Consequently, the sample sizes within employee categories do not allow for representative comparisons.	●	3	1, 6
MM4	Number of strikes and lockouts.	61–62	●		7
<b>Product Responsibility</b>					
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	12–15, 94–99, 106 Annual Report: 6–9, 26–37	●		1 2
PR1	Health and safety impacts of products in their life cycle stages.	21–22, 96	●	8	1
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products.	96	●	1	

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
<b>Product Responsibility (continued)</b>					
PR3	Product and service information required by procedures.	94–97	●	8	8
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product information and labelling.	No incidents of non-compliance resulted in a fine, penalty or warning during 2013.	●		8
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing and communications.	In general, this indicator is not material to Teck. Advertising and related publications are reviewed by senior management periodically to ensure compliance with corporate governance and conformance with overall branding guidelines.	●	8	
PR9	Significant fines for non-compliance related to products.	None.	●		
MM11	Programs and progress related to materials stewardship.	94–99	●	8	
<b>Society</b>					
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	12–15, 30–49, 104 Annual Report: 6–9, 26–37	●		10
SO1	Impacts of operations on communities.	22–26, 30–49	●	2, 4, 9	15, 16
SO2	Business units analyzed for risks related to corruption.	20	●	1	10
SO3	Employees trained in anti-corruption policies and procedures.	20	●	1	10
SO4	Actions taken in response to incidents of corruption.	20	●	1	10
SO5	Public policy positions and participation in public policy development and lobbying.	20–21	●	1	17
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	21	●		
SO7	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices.	None.	●		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	None.	●		
MM6	Significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples.	42 For information regarding environmental litigation, see page 127 in our Annual Report.	●		
MM7	Grievance mechanisms used to resolve disputes related to land use and the customary rights of local communities and Indigenous Peoples.	42 For information on feedback received by topic category, see page 108.	●		

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
<b>Society (continued)</b>					
MM8 Artisanal and small-scale mining (ASM).	40–41 ASM takes place at our Carmen de Andacollo and Quebrada Blanca operations, and our Relincho resource development project.	●			
MM9 Resettlements.	There were no significant disputes related to resettlement in 2013. We continue to monitor a potential economic displacement of a community of interest identified during the preparation of the Social and Economic Impact Assessment for our Quebrada Blanca Phase 2 project. We continue to follow International Finance Corporation guidelines in engaging with these potentially affected groups.	●			
MM10 Closure plans.	80 All of our operations have made financial provision for closure. For more information, see page 75 in our Annual Report. For more information on the costs related to Duck Pond Operations' closure in 2015, see page 45 in our Annual Report.	●	2, 6		

### Cautionary Note on Forward-Looking Statements

Certain statements contained in this report constitute forward-looking statements within the meaning of the *United States Private Securities Litigation Reform Act* of 1995 and forward-looking information within the meaning of the *Securities Act* (Ontario) and comparable legislation in other provinces (collectively, “forward-looking statements”), concerning our business, goals, operations and strategy. Some forward-looking statements may be identified by words like “expects”; “anticipates”; “focuses” and similar expressions. Forward-looking statements in this report include, but are not limited to, statements relating to our sustainability goals and plans and our expectations regarding those goals and plans, as well as statements regarding the life of certain of our operations. The forward-looking statements in this report are based on current estimates, projections, beliefs, estimates and assumptions of the management team and are believed to be reasonable, though inherently uncertain and difficult to predict. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, experience or achievements of Teck to be materially different from those expressed or implied by the forward-looking statements. Risks and uncertainties that could influence actual results include, but are not limited to: operational problems, regulatory action, changes in laws and governmental regulations, development and use of new technology, natural disasters and adverse weather conditions, changes in commodity prices, general business and economic conditions, and the future operation and financial performance of the company generally. Certain of these risks and other additional risk factors are described in more detail in Teck’s annual information form and its management’s discussion and analysis and other documents available at [www.sedar.com](http://www.sedar.com) and in public filings with the United States Securities and Exchange Commission. Teck does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.





