

# Business Conduct

## 2023 Highlights

- ▶ Published our **seventh annual Economic Contribution Report**, providing transparency on our payments to governments and economic contributions where we operate
- ▶ Working with federal and provincial governments on **critical minerals leadership** to advance more production, processing and recycling of critical minerals needed to decarbonize the world

## GRI Indicators

2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 2-28, 3-3, 201-4, 203-2, 205-1, 205-2, 205-3, 207-1, 207-2, 207-3, 207-4, 415-1

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

## How Does Teck Manage This Topic?

Information about how we manage business conduct, including relevant policies, management practices and systems is available for [download on our website](#).



## Global and Industry Context

Business practices, including ethics, transparency, anti-corruption and cybersecurity, are seen as increasingly important issues.<sup>38</sup> Good governance practices, including disclosures on payments to governments, are a key component in meeting the expectations of a range of stakeholders.<sup>39</sup>

As an industry that operates in a wide range of jurisdictions, business conduct and anti-corruption are a major focus for mining. International initiatives such as the Extractive Industries Transparency Initiative (EITI) and national regulations such as the [Extractive Sector Transparency Measures Act \(ESTMA\)](#)

in Canada serve as widely accepted standards for the open and accountable management of resources, contributing to the deterrence of corruption in the extractives sector. The International Council on Mining and Metals (ICMM) Principles require ICMM member companies to implement and maintain ethical business practices that seek to prevent bribery and corruption.

Teck operates primarily in Canada, the United States, Peru and Chile, which all have generally robust legal systems and well-established political processes. Our aim is to minimize adverse impacts from our activities, earn trust and build partnerships that support sustainable development and growth.

## Our Performance in Business Conduct in 2023

### Our Commitments

We maintain a focus on strong ethics within our corporate culture, in alignment with [our values](#). Our [Code of Sustainable Conduct](#) requires employees and contractors to comply with applicable laws and regulations and with all Teck policies and standards. We are committed to upholding high moral and ethical principles, as affirmed in our [Code of Ethics](#), which every employee, officer and director of Teck is required to adhere to. Our approach to taxation, including tax reporting, is aligned with our Code of Ethics and our approach to business and sustainability. We are, in all tax matters, compliant, transparent, cooperative and ethical, as outlined in our [Tax Policy](#).

Our [Political Contributions Policy](#) includes our commitment to zero corporate political contributions and to compliance with rules relating to election activities and attending partisan events.

These policies provide clear guidance around how we should conduct our business, and they set standards on topics such as bribery and corruption, sponsorships and donations,

conflicts of interest, confidentiality, data privacy and third-party due diligence. While Teck's business practices must consider the local customs of the communities in which we operate, we maintain the same standards of behaviour in all jurisdictions, and our business practices are fundamentally based on honesty, integrity and respect.

Teck's activities are subject to a number of laws within the jurisdictions in which we operate. When engaging public officials, in addition to our own policies, the laws, regulations and rules of the country in which the engagement by a Teck employee occurs will apply. In addition, the applicable laws, regulations and rules of the country in which the Teck employee resides may, based on statute or treaty requirement, carry over to foreign jurisdictions. We know that transparency in our business practices is critical for establishing trust and, as such, we regularly engage with governments on regulatory and public policy initiatives that are primarily focused on maintaining and enhancing the competitiveness of our industry as well as its sustainability.

## Doing What's Right Program

*Doing What's Right* describes what is expected of everyone at Teck to ensure our business is conducted with honesty, integrity and respect. Teck's Code of Ethics outlines in detail how to meet this expectation, and it aligns with our values – most notably, the commitment to being responsible, courageous, respectful and inclusive. Our employees, contractors and suppliers can report any violations, or potential violations, of our Code of Ethics through our *Doing What's Right* program, which includes a confidential whistle-blower hotline and web portal, which are managed by a third party. The hotline is available in all relevant languages in the countries where we operate. Teck has a strict policy prohibiting retaliation in relation to Code of Ethics reports made in good faith. See [Our Approach to Business Conduct](#) for more details on Teck's *Doing What's Right* program.

Through this program, we received 120 reports of alleged violations of our Code of Ethics in 2023. The areas for which we received the greatest number of reports were regarding employee relations (25%), bullying (18%) and harassment (18%). Of these 120 cases, 76 were closed following an investigation or were closed on the basis that no investigation was necessary. The remaining 44 cases are still under investigation. The Audit Committee receives and reviews reports on the investigation and resolution of complaints raised through the whistle-blower hotline.

No criminal cases regarding bribery were brought against Teck or any of its affiliates in 2023, 2022 and 2021.

## Anti-Bribery and Corruption

Teck's [Anti-Bribery and Corruption Compliance Policy and Interpretation Guide](#) supplements the Code of Ethics and reinforces Teck's commitment to work against anti-corruption in all its forms. Select employees in potentially high-risk roles are required to certify that they have read and understood these policies and standards, and that nonconformity would lead to disciplinary action. They also undergo anti-corruption training at least every two years. We have criteria in place to determine which employees are required to complete anti-corruption training based on location, potential engagement with government and a number of other factors. Based on these criteria, 3,171 employees were required to participate in anti-corruption training in 2022/23, and 97% of those employees have completed the training. Table 40 provides more information about training on anti-corruption policies and procedures.

**Table 40: Number of Employees Who Have Received Training on Anti-Corruption During the 2022/23 Training Cycle**

Country	Number of Employees
Canada	1,791
United States	71
Chile	1,121
Other Locations (China, Australia, Ireland, Mexico, Namibia, Peru, Türkiye and Japan)	75
<b>Total</b>	<b>3,061</b>

<sup>38</sup> [Top 10 business risks and opportunities for mining and metals in 2024](#). EY. 2023.  
<sup>39</sup> [How Tax Leaders Can Help Drive Sustainability Efforts](#). Harvard Business Review. 2023.

## Anti-Bribery and Corruption (continued)

In addition to engaging with employees, Teck communicates its anti-corruption policies and procedures to all members of our Board of Directors. The President and Chief Executive Officer, who is a Board member, receives anti-corruption training in the role as an employee of Teck, and all governance members are expected to complete an annual Code of Ethics Acknowledgement.

Our Anti-Bribery and Corruption Compliance Policy and Interpretation Guide is reviewed annually to assess whether it adequately addresses our company-wide exposure to bribery- and corruption-related risks, and internal audits are conducted on a periodic basis at specific sites to assess compliance with the Anti-Bribery and Corruption Compliance Policy. No new significant risks associated with corruption were identified in 2023.

We also implement a third-party due diligence program under Teck's Anti-Bribery and Corruption Compliance Policy. Consultants, agents or intermediaries who may have contact with, or do business with, a government official on

behalf of Teck must undergo sufficient due diligence to enable us to conclude with reasonable assurance that the service providers understand and will fully abide by applicable anti-corruption laws and with our policy. Under our risk analysis, service providers who may have contact with, or who have the potential to have contact with, government officials on Teck's behalf are included in Teck's due diligence program. In 2023, no potential suppliers were flagged as having anti-corruption and/or anti-bribery risks that disqualified them from conducting business with Teck.

### Fraud

The Senior Vice President and General Counsel reports to the Audit Committee on a quarterly basis on any cases of fraud identified and reported through the whistle-blower hotline. Four allegations of fraud were reported to the Audit Committee during 2023, and we had no involvement in any investigations regarding alleged breaches of competition laws.

## Cybersecurity

Fundamentally, Teck believes that cybersecurity is an industry-wide concern. The nature of the cyberthreats facing Teck and the industry have evolved, particularly over the past three years, and are now primarily motivated by profit. As Teck moves to using more digital technologies, our tactics for managing risks will evolve alongside the changing environment.

Teck manages cybersecurity risk through diligent oversight and governance of digital technology. Our risk-based cybersecurity strategy is supported by a custom framework based on industry-leading practices from organizations and programs such as the National Institute of Standards and Technology (NIST), Open Worldwide Application Security Project (OWASP), Cloud Security Alliance (CSA), International Society of Automation (ISA), International Electrotechnical Commission (IEC) and ISACA (formerly known as the Information Systems Audit and Control Association).

The Audit Committee of Teck's Board has explicit oversight for cybersecurity-related matters under its Charter. Briefings on Teck's cybersecurity risk management program — including details of top threats, risk management activities, vendor and supply chain monitoring, and internal training and awareness programs — are provided to Teck's audit committee of the board on a regular basis. In 2023, activities included:

- Investigated over 16,000 security events, and prevented 173 critical and high-severity incidents from impacting Teck's operations
- Identified opportunities to consolidate our security architecture and optimize security
- Undertook a full security assessment on our first line of defence against malicious actors to optimize identity management capabilities
- Carried out regular phishing simulation campaigns with Teck employees to maintain awareness and to measure success of security training to date
- Established a third-party security management program to reduce risk exposure of unauthorized access to Teck's networks or data theft from third parties

## Public Policy Initiatives

We focus on being a collaborative partner with governments in the jurisdictions where we operate, and we engage regularly in public policy initiatives that support the competitiveness and sustainability of our industry. In 2023, we engaged governments on several public policy, legislative and regulatory initiatives of relevance to Teck.

### Environmental Initiatives

**Supporting effective climate change policies:** Teck continued advocating to governments across Canada for policies that support the transition to a low-carbon economy while ensuring the competitiveness of Canadian emissions-intensive, trade-exposed (EITE) sectors. We engaged the Government of Canada and the B.C. Government in support of climate action policies to address the competitiveness challenges resulting from internationally varied climate change policies. Included in this support is our input to the Government of Canada on paths towards net-zero GHG emissions by 2050. Also included is our input to the B.C. Government on its proposals for a new provincial carbon pricing regime expected to come into effect in 2024, and for the B.C. Government's Net-Zero New Industry Policy.

**Collaborating on building a global green corridor:** Teck and other industry leaders are building the North Pacific Green Corridor (NPGC) to decarbonize the value chain of critical minerals, metals and other low-carbon products between the Canadian Pacific coast and our partners in the Indo-Pacific region. The ultimate goal is for the value chain to achieve net-zero GHG emissions by 2050. The NPGC was officially launched in June 2023 when Teck representatives joined the Government of Canada's delegation to the G7 Transport Ministers' Summit in Japan to present the initiative to the world. Teck and NPGC partners will continue collaborating as a consortium and with governments as the initiative moves into its next phase in 2024.

**Progressing biodiversity and conservation initiatives:** Teck is committed to supporting biodiversity and land conservation in the areas where we operate. As part of this commitment, we are active in the World Economic Forum's Champions for Nature and its initiative to contribute to conserving, restoring and growing one trillion trees by 2030.

**Accelerating grid infrastructure to electrify mining operations:** Teck engaged the Government of Canada and the B.C. Government to accelerate permitting and construction of additional electricity transmission capacity. This increased capacity at our sites is needed to enable the powering of new decarbonization technologies on-site with clean energy sources.

### Socio-Economic Initiatives

**Growing global critical minerals sectors:** Teck continues to engage policy-makers in Canada, the United States, and in the United Kingdom and the European Union on critical minerals policies and programs to boost the global sector. Critical minerals and metals are essential in the development of green, low-carbon technologies. At the same time, critical minerals markets are competitive, and global mining jurisdictions are vying to become the world's supplier of choice.

**Engaging governments to advance critical mineral projects:** Teck engaged governments to advance projects for more critical mineral production, processing and recycling including, but not limited to, extending the life of our Red Dog zinc mine in Alaska and Canada's largest copper mine, Highland Valley Copper in B.C.; advancing the Electric Vehicle Battery Recycling Project to recover critical minerals at our Trail Operations; and progressing development of new production at the Galore Creek Project in B.C. and at NewRange Copper Nickel in Minnesota.

**Encouraging increased Indigenous participation in the mining sector:** Teck is pleased to see that the participation of Indigenous Peoples and Indigenous businesses in the

mining sector is steadily increasing. Mining activity has positive impacts such as employment creation, opportunities for education and training, local economic development and valuable community investment projects. As such, we encourage governments to consider ways to continue increasing Indigenous participation in the mining sector, including through greater access to capital for equity participation in mining projects and investments in education and training for mining-related employment. We applaud the Government of Canada's announcement to launch a new federal Indigenous Loan Guarantee Program for increased Indigenous participation in mining projects, and we look forward to contributing to the development of this program as needed.

**Advocating for cost-competitiveness:** Teck continued to engage the Government of Canada and the B.C. Government to address cost-competitiveness issues relating to carbon taxation and EITE sectors, transportation and logistics costs, and other federal and provincial tax and regulatory measures.

**Advocating for investments in Western Canada's supply chains:** Teck is Canada's single-largest shipper and a leading commodity exporter from Canada's Pacific coast ports. Our export competitiveness depends on supply chain infrastructure and trade corridors that are reliable, cost-effective and efficient. As such, we continued to communicate with the Government of Canada and the B.C. Government about the need for new federal and provincial investments into a more resilient supply chain infrastructure that enables efficient trade between Western Canada and key markets abroad.

**Promoting youth in industry initiatives:** Teck is working with industry associations to educate, attract and mentor young individuals entering the mining community. Government, along with several industry associations and agencies within the U.S., view the current replacement workforce as insufficient to meet future needs.

**Enhancing trade relations with key export markets:** Teck continued to work with the Government of Canada on enhancing relationships with key export destinations, primarily in the Indo-Pacific region. This included advocating for addressing tariff and non-tariff barriers, as well as advancing new opportunities in Japan, South Korea, India, the U.S., Europe and other partner jurisdictions.

**Reviewing potential for amendments to U.S. mining legislation:** Teck worked with U.S. legislators, agencies and industry associations to provide education on the current mining law and supply data. We encouraged refinement within the proposed mining law that could improve permitting timelines and certainty while keeping appropriate regulations in place.

**Collaborating on the new Tarapacá Regional Development Strategy:** Teck collaborated with the Regional Governor of Tarapacá, the University of Chile, industry peers and many others to design this new regional development strategy, which focuses on achieving 2030 goals for responsible production and greater social and economic development of the region.

### Innovation Initiatives

**Working with governments to foster more innovation in mining:** Teck actively pursued government initiatives to advance innovation in our operating jurisdictions, including seeking collaboration with the Government of Canada and the B.C. Government for advancing the Electric Vehicle Battery Recycling Project at our Trail Operations. For more details, see the case study on page 22. We also submitted feedback to the Government of Canada on the design of federal investment tax credits for critical mineral production, processing and recycling, as well as for clean technology development and deployment.

**Engaging governments on support for Teck's decarbonization efforts:** Teck engaged the Government of Canada and the B.C. Government on how it may support decarbonization efforts at our Canadian operations.

## Public Policy Initiatives (continued)

Opportunities included submitting recommendations on the B.C. Government's Clean Transportation Action Plan and requesting access to federal and provincial programs that advance research, development and deployment of new clean technologies that can significantly reduce GHG emissions at our operations.

### Contributions to Industry Associations

We believe it is important to engage with industry associations to advance research, share best practices, and contribute to improving the regulatory systems and industry performance across the extractive sector and beyond. There can be a wide range of views within the membership of each association and, as members, we may not always agree with every position or approach. This is especially the case when the association's membership is large and the mandate is broad, covering a wide range of issues. This diversity of perspectives creates a rich and full debate.

When disagreement arises, Teck may provide greater clarity on our own positions and activities with policy-makers, work with the association to understand alternative points of view and to seek common ground for progress, consider our ability to influence the policies or perspectives of the organization or, ultimately, consider whether to continue participating in the association.

Through our membership in various industry associations, Teck strives to advance research, share best practices and exert a positive influence in a manner that aligns with our company's values as well as those of our employees, stakeholders and shareholders. In 2022, we published our first [Industry Associations Review](#), to identify and report the degree to which climate change positions and actions of selected associations are aligned with our Climate Change Guiding Principles. We expect to conduct similar reviews regularly in the future.

Our five largest contributions in 2023 were to the International Copper Association (\$0.8 million), the World Economic Forum (\$0.8 million), the Mining Association of Canada (\$0.7 million), the International Zinc Association (\$0.7 million) and the Mining Association of British Columbia (\$0.5 million). For a full list of associations to which Teck pays annual membership fees of \$50,000 or more, visit [Memberships and Partnerships on our website](#).

## Commitment to Transparency

We engage in and support the work being done to fight financial corruption by supporting relevant international frameworks such as the Extractive Industries Transparency Initiative (EITI). We participate in the EITI through our ICMM membership for our contributions in Peru, the only EITI-implementing country where Teck currently has operations. EITI's assessment of Teck's adherence to the Expectations of EITI Supporting Companies, and the summary of results is publicly available on the [EITI website](#).

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

We also publish a voluntary Economic Contribution Report to complement and enhance our ESTMA disclosure. This report demonstrates our overall value generation in the areas where we operate through direct benefits such as wages and benefits, payments to contractors and suppliers, community investments and payments to governments, as well as other indirect and induced benefits. See the [Economic Contributions](#) page on our website for more information.

As outlined in our [Political Contributions Policy](#), Teck does not make use of corporate resources, including funds, goods, property and/or services, for the purpose of contributing to a political party, a campaign for elected office, a nomination process for a political party, a local political constituency and/or any individual candidate seeking election at any level of government. In 2023, we did not make any direct financial or in-kind political contributions.

We voluntarily provide information on our tax payments in our principal operating countries on a country-by-country basis. Our full country-by-country tax payments aligned to the GRI Tax topic standard are available in our [Sustainability Performance Data](#).

### Payments Received from Governments

In certain jurisdictions, part of our statutory obligations related to lobbying is to publicly report funding we applied for and received from any government around the world. In 2023, Teck received \$750,000 from the Government of Canada's Student Work Placement Program, and \$11,194,000 from the CleanBC Industry Fund. For 2023, our B.C.-based operations incurred \$114.8 million in British Columbia provincial carbon tax.