

Generations

Teck 2012 Sustainability Report

Teck 100
Celebrating One Hundred Years

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

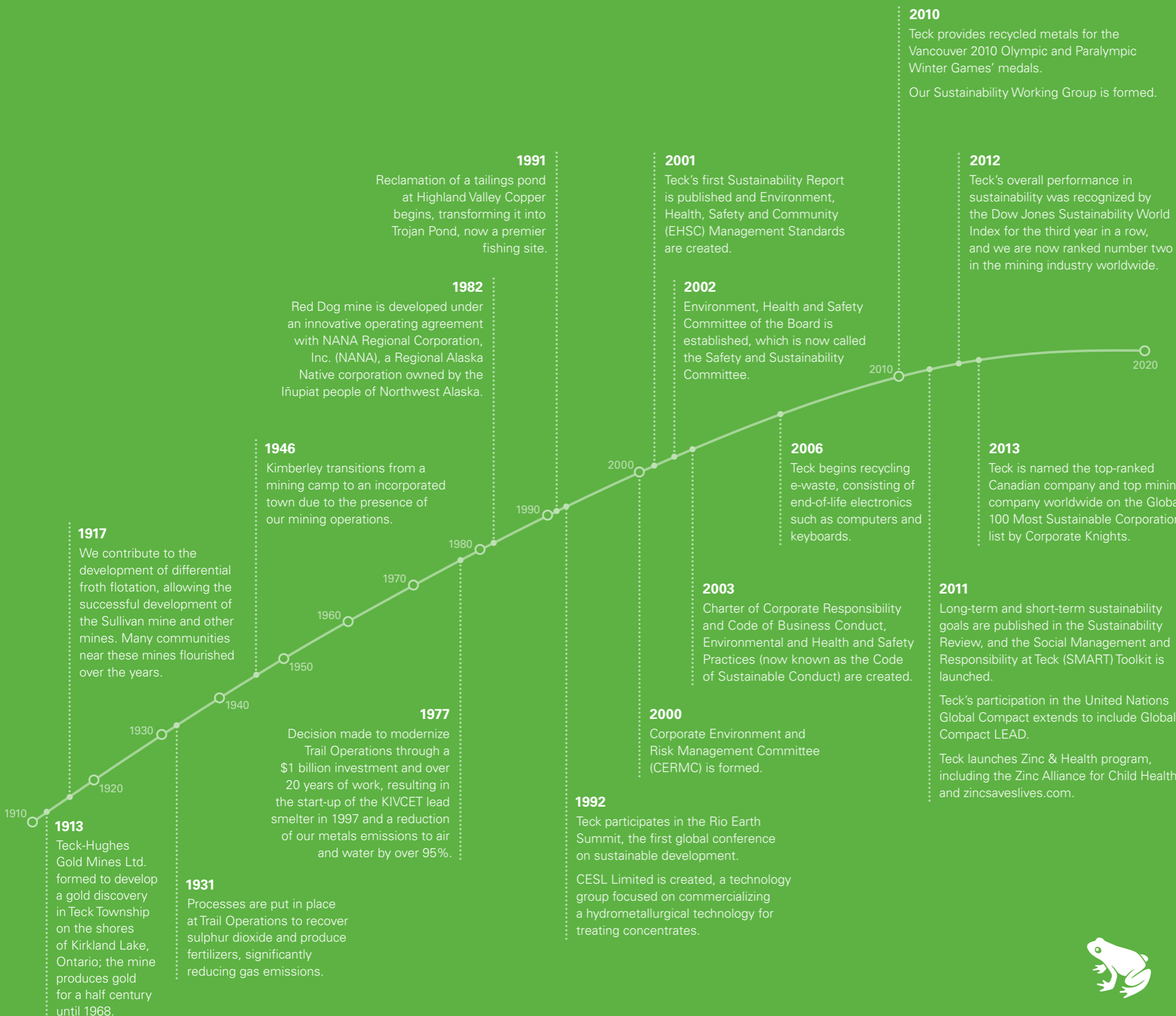
Achieve a net positive impact on biodiversity in the areas where we operate

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 to people and the environment



Our Path Forward

2013 marks the 100th anniversary of Teck's founding. The company has evolved over the years into one of the world's leading diversified natural resource companies, committed to responsible mining and mineral development. The theme of this year's report, *Generations*, speaks to the work we are doing to create value in society through our products and through our ongoing efforts to make our company, and our industry, more sustainable for this and future generations.

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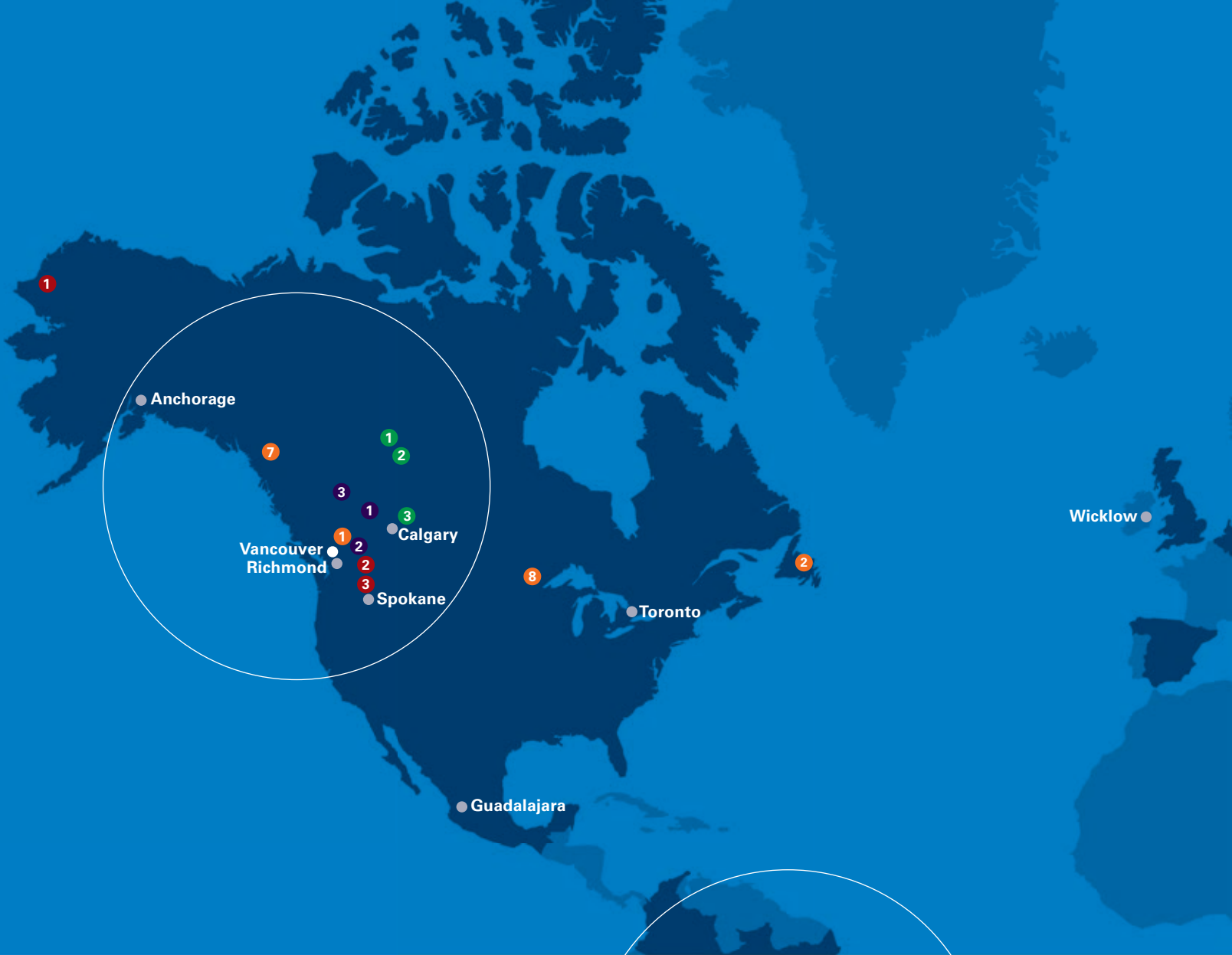
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generations of
employees have
shaped our approach
to sustainability:
building on a century
of experience

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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



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

● Ankara

● Beijing

● Shanghai

● Windhoek

● Perth

About Teck and Our Operations

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.

Message from the CEO

Donald R. Lindsay
President and Chief Executive Officer



This year marks the start of a new century for Teck. One hundred years ago, Teck was founded and in the years since, we have learned a lot about communities, people and the environment. This experience has shaped who we are as a company and how we approach sustainability.

From our earliest days, our people have pioneered innovative ways to reduce the impact of our activities while improving our performance. In 1917, for example, we helped develop the method of mineral processing known as differential froth flotation, which significantly improved mineral recovery, increased the efficiency of our operations and became an industry standard. In 1979, at our Sullivan mine we installed a groundbreaking water treatment technology that is now used around the world to treat mine-affected waters. Today, our commitment to innovation lives on as we research and develop new technologies and practices in everything from ensuring water quality to fostering vibrant, healthy communities.

The theme of this year's sustainability report, *Generations*, goes to the heart of how we view sustainability. Over the decades, generations of our employees have contributed to both our company's sustainability and to the sustainability of the mining industry around the world.

Future generations will enjoy a better quality of life because of mining and the products it helps create. Our copper helps deliver the electricity that lights people's homes. Our zinc protects infrastructure from deterioration and helps to sustain lives as an essential micronutrient. And our steelmaking coal is required to make the steel for the new hospitals, schools and technologies that are essential to modern life.

Putting Teck's Sustainability Strategy into Action

The knowledge that we can make the world better and more sustainable inspires us to reach even higher. That knowledge, coupled with global trends, such as increasing community expectations and a growing focus on water quality and availability, was the driving force behind the sustainability strategy we launched in 2011.

We identified six areas that represent the biggest challenges and opportunities for our work in sustainability: Community, Our People, Water, Biodiversity, Energy, and Materials Stewardship. Within each area, we set short- and long-term goals and targets to continually enhance our sustainability performance and assess our progress. This report outlines the progress we are making on our sustainability strategy. We can already see tangible results.

Our people will always be fundamental to the success of our sustainability strategy and nowhere is this truer than with safety. This year we achieved our safest year on record, with a 9% decline in total reportable injury frequency from 2011. It also marked the lowest number of serious safety incidents on record. While these are important milestones, we recognize that there is more work to be done to reach our vision of everyone going home safe and healthy every day.

We also continue to strengthen relationships with communities in the areas where we operate. In 2012, we formalized our Human Rights Policy, which outlines how we respect and enhance human rights. This is but one part of our effort to implement social management systems and policies aimed at fostering mutually beneficial relationships with communities.

Water stewardship remains our most material sustainability issue. In the Elk Valley of British Columbia, managing water quality is a key issue for our steelmaking coal operations. In 2012, we began construction of a new water treatment facility at our Line Creek Operations in an effort to stabilize and reduce elevated levels of selenium and other

substances in the watershed. This facility is one component of our comprehensive strategy for addressing water quality issues in the Elk Valley today and into the future. In Northern Chile, where water is scarce, we plan to use desalinated seawater for our two major development projects in that region.

In energy, we marked our first full year of operation at our Wintering Hills Wind Power Facility last year. We exceeded projections by producing 88 gigawatt hours of electricity, which provided over 57,000 tonnes of carbon dioxide-equivalent credits. We also implemented several projects at our operations that reduced energy consumption by over 200 terajoules — enough energy to power nearly 2,000 homes.

We continued to work towards our vision of achieving a net positive impact on biodiversity. Reclaimed land at our Cardinal River Operations, for example, has provided valuable habitat for bighorn sheep. The health and size of the herd allowed for the relocation of sheep to support the re-establishment of diminished herds in other parts of North America.

In 2012, we reviewed our recycling practices at each of our operations. This work will form a baseline to improve our recycling efforts going forward, a key component of materials stewardship at Teck.

Although our environmental compliance rate remained above 99% in 2012, a fuel oil spill at our Quebrada Blanca Operations in January 2013 and our subsequent cleanup efforts were an important reminder that we need to remain vigilant in our environmental efforts.

Building Value Through Partnerships

Our focus on sustainability is embedded in how we do business. Our approach is supported by our Charter of Corporate Responsibility and our participation in sustainability-focused organizations. These include the International Council on Mining and Metals, and the Mining Association of Canada.

Additionally, we work with international organizations such as the United Nations Global Compact (UNGC). Our participation in the UNGC extends to include Global Compact LEAD, which challenges leading companies to develop new ways to improve sustainability performance.

We are continuing to build partnerships to help address global sustainability issues. For example, as one of the world's largest producers of zinc, we have launched a Zinc & Health program to help address the global health challenge of zinc deficiency. In 2012, we entered into a new partnership with BASF, the Chemical Company, to jointly develop affordable zinc solutions, with the goal of reducing zinc deficiency for 100 million people in developing countries by 2015. Through partnerships with the Government of Canada, the Micronutrient Initiative and UNICEF, we have also launched zinc treatment programs in four countries: Senegal, Burkina Faso, India and Ethiopia. UNICEF estimates that in India alone, our efforts will save the lives of 150,000 kids by 2017. We also raised awareness about zinc deficiency through Free The Children's We Day events across Canada. Our successful Zinc Saves Lives Twitter campaign reached a global audience of more than five million Twitter users.

Teck's overall performance in sustainability was recognized by the Dow Jones Sustainability World Index for the third year in a row, and we are now ranked number two in the mining industry worldwide. Early in 2013, we were also named the top Canadian company and top mining company worldwide on the Global 100 Most Sustainable Corporations list by Corporate Knights. We recognize that we have more work to do, but we believe that this recognition confirms that we are making progress towards our sustainability goals.

Our sustainability and financial performance are mutually dependent. In 2012, we achieved revenues of \$10.3 billion, gross profit before depreciation and amortization of \$4.0 billion, and cash flow from operations of \$2.8 billion. As we continue to build a leading diversified resource company, enhancing our sustainability performance will remain critical to our success.

For 100 years, the courage, innovation and commitment of generations of our employees have shaped our approach to sustainability. Looking forward, we will continue to be guided by their commitment to communities and the environment for present and future generations.



Donald R. Lindsay
President and Chief Executive Officer

Overview

About Our Report: This report covers Teck's 2012 sustainability performance. It marks our twelfth year of annual reporting on our sustainability issues, our approach to managing these issues and our performance. Our 2012 Annual Report provides further detail on economic 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. Our COIs include academic leaders, employees, existing and potential investors, governments and regulatory staff, Indigenous Peoples, industry associations, local communities, non-governmental organizations, peers and business partners, and suppliers and contractors. More information on our COIs is available on pages 127–128.

Scope and Boundary

The scope of this report includes the 13 operations that we manage and control: Cardinal River, Carmen de Andacollo, Coal Mountain, Duck Pond, Elkview, Fording River, Greenhills, Highland Valley Copper, Line Creek, Pend Oreille, Quebrada Blanca, Red Dog and Trail Operations. Where material, we also provide information on other business activities such as exploration 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 pages 10–12.

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 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 in areas including waste, air quality and business ethics.

Data

This report discloses sustainability data for the fiscal year ended December 31, 2012. Subsequent information relating to 2013 that was determined to be material was also included.

Our sites provide sustainability data through a centralized database. The data is reviewed for completeness and accuracy at both the operations level and at our corporate office. The consolidated data for key indicators can be found in our Performance Overview Table on pages 108–109.

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 GRI Third Generation (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, including the Mining and Metals Sector Supplement.

The GRI Finder on pages 113–121 provides an index of GRI indicators and their location 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 110–112 for the signed assurance letter.

For More Information

Please visit www.teck.com/sustainability or email us at sustainability@teck.com.

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 our material topics 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 who 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.

Materiality Analysis

Our materiality 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.

Our materiality analysis consisted of a three-step process: identifying our material topics, prioritizing the significance of each, and validating the completeness of our analysis. Starting with our 2011 materiality analysis results, we reviewed a variety of information sources to identify potential material topics in 2012. Our analysis covered the 2012 year and included the full scope of our business activities. Sources included:

- Policy documents, including our codes and standards
- Financial and risk management documents, at the operation and corporate levels
- Peer company reports and documents
- Reports, media and research from our COIs
- Global standards and regulatory frameworks

We have a panel that is representative of our COIs, including non-governmental organizations, sustainability research firms, industry and environmental groups. We asked the panel to provide feedback on our 2011 material issues and their feedback was incorporated into this year's assessment.

We also reviewed the candidate material topics with internal experts from each of our sustainability focus areas to determine the validity and the relative importance of each. The results were reviewed and approved by senior management.

Table 1 on pages 11–12 shows our 2012 material topics.

The purpose of our 2012 materiality analysis was to define the content of our sustainability report and communicate to COIs what our material topics are and how we are managing these topics. Looking forward, we are working to expand our materiality process to better inform both our sustainability strategy and reporting.

With the exception of governance and business ethics, 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. Financial performance is discussed in our Annual Report.

Table 1

2012 Material Topics

Material Topic	What This Means for Teck
Governance and Financial Performance	
Ensuring Sound Governance and Business Ethics	Ensuring sound business practices through good governance, accountability and ethical business practices, including transparency and anti-corruption
Ensuring Healthy Financial Performance	Ensuring the healthy financial performance of our business by addressing factors such as production, global demand, market volatility and business growth
Community	
Maximizing Sustainable Benefits for Communities	Creating economic opportunities for communities through local and Indigenous procurement and hiring, investing in communities to enhance quality of life, and demonstrating social and environmental benefits for our COIs
Managing Impacts on Communities	Monitoring and managing impacts and potential impacts on communities in order to maintain our licence to operate
Understanding and Respecting the Rights of Indigenous Peoples	Seeking collaborative solutions, meaningful consultation and mutually beneficial agreements with Indigenous Peoples in recognition of their unique interests and concerns related to development
Respecting Human Rights	Respecting and contributing to the realization of human rights for our employees and our COIs
Creating Opportunities for Meaningful Community Engagement	Creating early, meaningful, consistent and transparent opportunities for COI engagement with our company
Our People	
Operating with Excellence in Safety	Developing technical programs to continually improve our safety performance, including learning from high-potential incidents
Building a Culture of Safety	Developing a values-based safety system that fosters commitment to and leadership in safety from every employee
Planning for Our Current and Future Workforce	Understanding global trends and employee demographics in order to plan for our current and future workforce requirements
Attracting, Retaining and Developing Talent	Directing our efforts to attract, retain and develop the most qualified people
Building Positive and Productive Labour and Management Relations	Maintaining positive and productive labour and management relationships
Water	
Protecting Water Quality	Minimizing the impacts of our activities on water quality
Minimizing Water Use Intensity	Minimizing the amount of water used (on an intensity basis) to conduct our activities
Promoting the Fair Use of Water	Ensuring that our activities consider other water users in the watersheds where we operate

2012 Material Topics (continued)

Material Topic	What This Means for Teck
Biodiversity	
Respecting Protected Areas and High Biodiversity Areas	Identifying and respecting protected and high biodiversity areas in order to integrate biodiversity considerations into our activities
Protecting Species at Risk	Protecting and restoring habitats that support species at risk in areas in which we operate
Managing Cumulative Biodiversity Effects	Assessing, monitoring and managing the cumulative effects of our activities on biodiversity
Planning for Reclamation and Closure	Progressively reclaiming lands after mining activities and implementing effective closure plans
Energy	
Monitoring Energy and Greenhouse Gas (GHG) Performance	Monitoring our energy use and GHG emissions so that we can fully assess the risks and opportunities
Implementing Energy and GHG Emissions Improvements	Improving our energy efficiency for the benefit of our financial and environmental performance
Evaluating Energy Supply and Reliability	Investing in renewable energy and supporting its development
Identifying Energy and GHG Risks and Opportunities	Ensuring an organizational strategy that integrates these factors
Materials Stewardship	
Managing Product Stewardship	Minimizing the environmental, health and safety risks of our products, including exploration, production, distribution, customer use, recycling and disposal
Managing the Supply Chain	Improving our understanding of our supply chains, including key risks and opportunities

Your Concerns, Our Response

Based on our materiality analysis, we selected the following issues to highlight in *Your Concerns, Our Response* segments throughout this report:

- Drug and Alcohol Testing 57
- Selenium Management in the Elk Valley 71
- Upper Columbia River Litigation 72
- Cumulative Biodiversity Effects 84
- Oil Sands Projects and Our Energy Strategy 98



Our Approach

Our Management Approach to Sustainability: Our activities have the potential to affect the safety and health of workers, the natural environment and the well-being of nearby communities in positive and negative ways. We are committed to managing these effects and the potential risks associated with our activities. Our management approach to sustainability is guided by our sustainability strategy and external commitments, which are embodied in our Environment, Health, Safety and Community (EHSC) Management Standards.



Our Sustainability Strategy

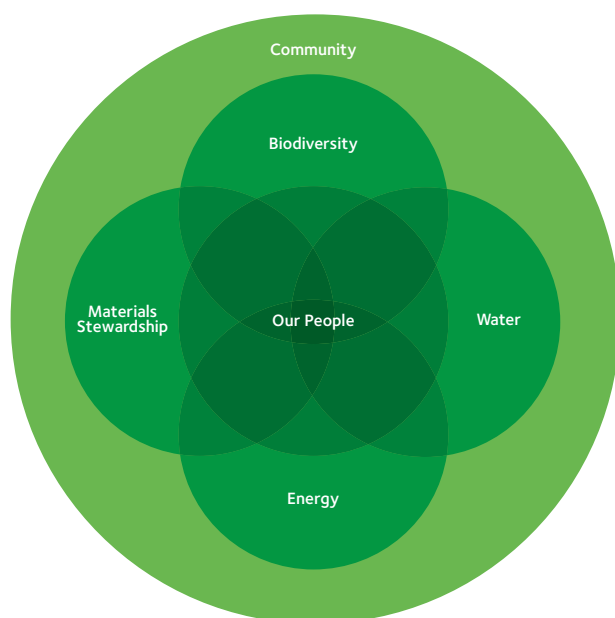
Our corporate strategy focuses on continuing to build a broadly diversified resource company, on growing our production at existing operations, and on developing new long-life resource projects in stable jurisdictions. We recognize that our success depends on our ability to establish safe environments for our people and collaborative relationships with our communities of interest.

In 2011, we developed a comprehensive sustainability strategy that set long-term goals that stretch through to 2030 and short-term 2015 goals that will help us achieve our vision for sustainability. 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.

Our six focus areas are deeply interconnected. This means that managing sustainability may require us to balance competing interests. For example, reducing our intake of fresh water may necessitate the use of more energy-intensive technologies. Such technologies may increase emissions to air and may ultimately have a negative impact on local ecosystems and biodiversity. At the same time, the interconnectedness of our focus areas can also create synergies. For example, reduced water use may also bring reductions in energy use and in emissions to air, as well as improvements to the health and well-being of the people, communities and ecosystems affected by our activities. We develop strategies that maximize benefits across our focus areas.

Figure 1

Our Focus Areas



Our 2010 Sustainability Review, available at www.teck.com, provides more background on the development of our sustainability strategy and goals.

Taking Action on Our Goals

In 2012, we began implementing our sustainability strategy. Our executive-level champions, who lead each focus area and provide guidance to help us achieve our goals, developed implementation teams throughout our business.

Business unit leaders, site leaders 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. In many cases, implementation plans are integrated into annual site business plans and into employees' personal objectives.

Progress against our 2015 goals is reported on pages 18–19, with a more detailed update available on pages 132–140.

External Commitments

As we work to implement our sustainability strategy, we are guided by our external commitments. Our participation in these initiatives provides us with guidance and allows us to evolve with the best sustainability practices in our industry. We have also revised our EHSC Management Standards to ensure that they align with our external commitments.

The United Nations Global Compact initiative, including pursuit of the Millennium Development Goals

We are a member of the United Nations Global Compact (UNGC), which provides companies with a framework to improve their operations and strategies through applying universally accepted principles covering human rights, labour, the environment and anti-corruption. As a UNGC member, we also contribute to the achievement of the United Nations Millennium Development Goals. Our participation in the UNGC extends to include Global Compact LEAD. The Global Compact LEAD challenges leading companies to pave the way for new efforts aimed at improving sustainability performance.

As a member of Global Compact LEAD, we have committed to implementing the UNGC's Blueprint for Corporate Sustainability Leadership, a model developed in collaboration with a variety of stakeholders, including business, governments and civil society. Please refer to our GRI Finder on pages 113–121 for more information on advanced criteria for reporting and alignment with the Global Compact principles.

The International Council on Mining and Metals (ICMM) Sustainable Development Framework

We are members of ICMM, a global CEO-led industry association in which member companies commit to implementing the 10 ICMM Sustainable Development Framework Principles and position statements.

Member companies are also required to produce an externally verified sustainability report at the Global Reporting Initiative (GRI) A+ level and to adopt the ICMM Assurance Procedure. Our involvement helps us improve our performance through access to emerging best practices and evolving international standards, as well as through collaboration with our peers.

The Mining Association of Canada's Towards Sustainable Mining Initiative (TSM)

TSM is an initiative of the Mining Association of Canada (MAC), of which we are a member. TSM is designed to help Canadian mining companies improve performance from an operational, social and environmental perspective. Through TSM, member companies report on their performance against indicators applicable to a number of important issues for mining. Performance is

externally verified and results are reported annually to MAC. Our TSM results are integrated within our management compensation structure. All of our Canadian operations have participated in TSM since 2008 or earlier. Our U.S. and Chilean operations began participating in 2011.

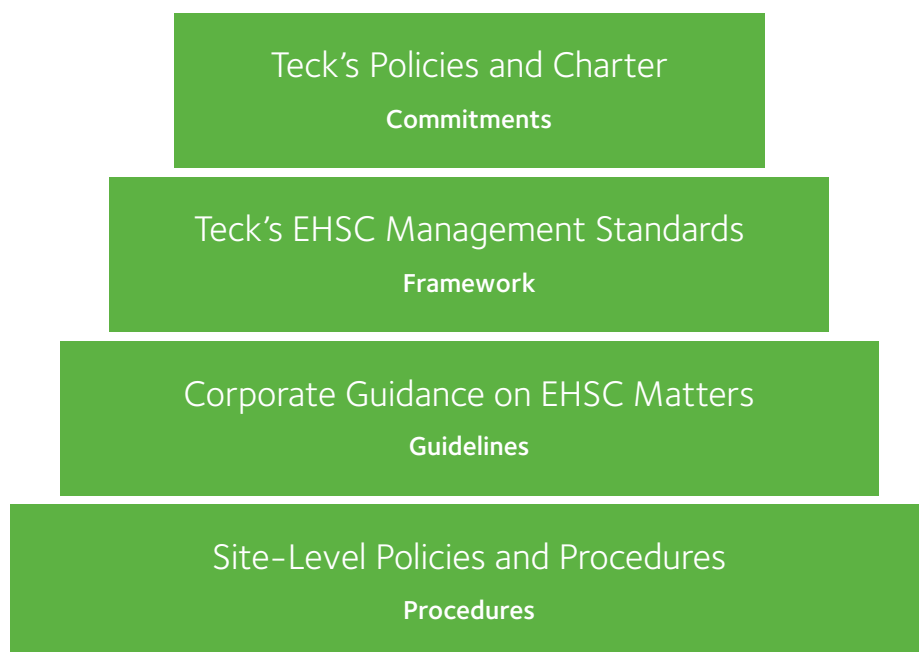
Through our membership in MAC, we are committed to achieving Level A or greater at our Canadian operations for TSM indicators. To reach this, we are embedding practices consistent with TSM protocols within our existing systems to improve performance across our operations. TSM performance reported for our Canadian operations is available in the latest publication of the TSM Progress Report on the MAC website at www.mining.ca.

Environment, Health, Safety and Community (EHSC) Management System

Our EHSC Management System provides a structure for implementing our sustainability commitments. It includes overarching corporate policy documents, the EHSC Management Standards, guidelines, and site-level policies and procedures. This structure is illustrated in Figure 2 below.

Figure 2

Our Environment, Health, Safety and Community Management System Structure



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

- Charter of Corporate Responsibility — A set of principles related to business ethics, environment, health, safety 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
- Safety and Health 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

Our EHSC Management Standards (Standards) form the framework for implementing our corporate policies. The Standards provide a consistent and systematic methodology for the identification and effective management of EHSC issues and risks, and provide a platform to support continual improvement in EHSC programs and performance.

The Standards cover all of our activities that have the potential to positively or negatively impact the environment, employee health and safety, or the well-being of communities. This includes all 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.

The Standards are broadly compatible with the ISO 14001:2004 international standard for Environmental Management Systems (EMS) and the Occupational Health and Safety Assessment Series (OHSAS) 18001:2007 specifications for occupational health and safety management. In addition to our corporate policies, the Standards incorporate additional requirements based on:

- International Council of Mining and Metals' (ICMM) Sustainable Development Framework and Position Statements

- United Nations Global Compact's (UNGC) Principles and Blueprint for Corporate Sustainability Leadership
- Mining Association of Canada's Towards Sustainable Mining (TSM) Initiative
- Our sustainability strategy and goals

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

The Standards are reviewed regularly by our Corporate Environment and Risk Management Committee (CERMC). To stay current with changing internal or external conditions, the Standards are revised, approved and reissued as needed. In 2011 and early 2012, we carried out assessments of our existing Standards on two fronts:

- Externally, by benchmarking content contained within our Standards against similar documents of external organizations, including selected peer companies and international organizations such as the ICMM and the UNGC
- Internally, by conducting baseline assessments across the company to compare our current practices against the requirements contained in the Standards

The results from the assessments clarified existing gaps in the Standards and helped supplement existing content. We used this information to improve the Standards, releasing a revised version at the end of 2012.

Assurance-Related Activities

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 endless iterative cycle of planning, action, evaluation and renewal. Starting in 2014, conformance with requirements contained in the revised Standards will be verified through formal assessments (audits) conducted internally or externally.

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⁽¹⁾.

The table to the right summarizes the progress we have made on our 2015 sustainability goals. Whenever possible, we have described progress based on indicators for each goal. In cases where the indicator or target has not yet been established, we have provided examples of related actions that support progress towards the goal.

For more information on progress, please see our Detailed Goals Dashboards on pages 132-140.

⁽¹⁾In some cases, the wording of the goals has been slightly modified since their initial release in 2011 in order to enhance clarity.

⁽²⁾The scope of the community goals includes the 13 operations where Teck has a majority interest (excludes the Antamina mine, in which we have a 22.5% interest), seven projects (Frontier, Galore Creek, Marten Wheeler, Mesaba, Quebrada Blanca Phase 2, Quintette and Relincho), and five advanced exploration sites (Cirque in Canada, Haib in Namibia, Myrtle in Australia, and Demir and Halilaga in Turkey).

⁽³⁾The scope of the water goals includes the 12 active operations where Teck has a majority interest, and excludes Pend Oreille Operations, which is in care and maintenance, and the Antamina mine, in which we have a 22.5% interest.

⁽⁴⁾The scope of the biodiversity goals includes the 12 active operations where Teck has a majority interest and four projects (Frontier, Galore Creek, Quintette and Relincho), and excludes Pend Oreille Operations, which is in care and maintenance, and the Antamina mine, in which we have a 22.5% interest.



Achieved



On Track



Target/Indicator to be Developed



Behind Schedule



Not Achieved

Short-Term Goals for Community⁽²⁾

Goal	Status	Performance Highlights	Target
1. Establish uniform measures to assess social risk and performance and manage activities.	→	Formalized our Human Rights Policy and piloted a human rights assessment tool Utilized Social Management and Responsibility at Teck (SMART) tools related to managing social risk and performance	2015
2. Implement policies and frameworks to guide our interactions with Indigenous Peoples.	→	Established a committee to provide guidance for our agreements with Indigenous Peoples Developing guidance documents for Indigenous procurement and employment initiatives at our operations	2015
3. Put processes in place to maximize community benefits and collaboration.	→	Launched a Community Investment Program, including a community investment policy and reporting framework Commenced development of the SMART tools for Local Employment and Procurement, and Community Investment	2015
4. Build our internal capacity.	→	Delivered training sessions on community dialogue, SMART tools, and Indigenous Peoples' rights and cultural awareness	2015





Short-Term Goals for Our People

Goal	Status	Performance Highlights	Target
1. Reduce overall total reportable injuries.	→	Achieved the lowest total reportable injury frequency on record Commenced the implementation of Courageous Safety Leadership Phase III and continued to implement the Visible, Felt Leadership initiative	2015
2. Retain existing employees and skills.	→	Developed an effectiveness survey on our performance management program, Building Strength with People Developed a phased retirement program package	2015
3. Increase employee training and development opportunities.	→	Reviewing systems and processes to track training needs, time and costs Assigned 30 international employee placements	2015
4. Enhance recruitment programs.	→	Implemented an applicant tracking system across all operations Increased the percentage of women in operational and technical roles from 4.5% in 2011 to 5.6% in 2012	2015
5. Embed sustainability principles throughout our company and ensure that they are routinely considered in decision-making.	→	Utilized our performance management system to track and report on employees' sustainability objectives Communicated our sustainability strategy and goals to employees, and creating an intranet site to promote collaboration on sustainability	2015





Short-Term Goals for Water⁽³⁾

Goal	Status	Performance Highlights	Target
1. Establish baseline for water use intensity and water quality at all current operations by 2013.	→	Established water management teams at 10 operations and continued to collect water quantity and quality data at all operations	2013
2. Implement Teck's Water Management Standard by 2013.	→	Revised the Water Management Standard and completed risk and opportunity workshops at eight operations	2013
3. Implement measures to achieve operation-specific targets for improvements in water use intensity and water quality.	→	Developed a plan to update water balances and to complete water management plans that will inform target setting for water use intensity and water quality	2015





Short-Term Goals for Biodiversity⁽⁴⁾

Goal	Status	Performance Highlights	Target
1. Develop comprehensive biodiversity management plans, including targets and actions, to minimize impacts at all operations and advanced projects, in accordance with our Biodiversity Guidance Manual and corporate standards.		Developed guidance for baseline data collection and risk/impact identification to inform the development of biodiversity management plans Completed a biodiversity prioritization and scan at all sites, generating an initial list of priority biodiversity features and specific items of interest for each site	2015
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.		Continued collaborating with COIs on biodiversity initiatives and began identifying potential offset projects as we develop biodiversity management plans for each of our operations	2015
3. Enhance our contributions to biodiversity conservation knowledge.		Continued investing in biodiversity research and partnerships	2015
4. Identify and implement biodiversity improvement and conservation opportunities that would seek to create a net positive impact in our areas of influence		Continued our existing closure and rehabilitation programs Continued working with local groups to preserve and enhance ecosystems	2015

Short-Term Goals for Energy

Goal	Status	Performance Highlights	Target
1. Reduce energy consumption at existing operations by 1,000 terajoules (TJ).		Implemented projects that resulted in energy reductions of over 200 TJ as compared to our business-as-usual projections	2015
2. Reduce greenhouse gas (GHG) emissions at existing operations by 75 kilotonnes of carbon dioxide-equivalent emissions (CO ₂ e).		Implemented projects that resulted in GHG reductions of over 50 kilotonnes of CO ₂ e emissions as compared to our business-as-usual projections	2015
3. Commit to 30 megawatts (MW) of alternative (non-carbon-emitting) energy generation.		Achieved 10 MW of alternative generation through our interest in the Wintering Hills Wind Power Facility	2015
4. Carry out the following for our new projects: <ul style="list-style-type: none"> • Conduct an analysis of currently available energy sources and evaluate opportunities to develop new energy sources. • Based on best practices, establish energy design criteria. • Complete comprehensive project energy maps to facilitate design options, identify opportunities, and determine incremental capital and operating costs for energy reduction projects. 		Preliminary evaluations have been conducted for some projects; a more systematic process will be implemented for future energy source evaluations	2015

Short-Term Goals for Materials Stewardship

Goal	Status	Performance Highlights	Target
1. Conduct life cycle assessments of key products.		Completed a life cycle assessment of zinc concentrate from Red Dog Operations	2015
2. Promote effective, efficient and economic metals use and recycling in the mining industry through our technology and know-how.		Conducted an initial inventory of current practices to recycle metal and domestic materials at operations Conducted additional recycling initiatives at Trail Operations	2015
3. Use our materials stewardship activities to enhance our customers' use of our key products and services.		Engaged users of minerals and metals to understand their stewardship requirements as they relate to our products	2015
4. Communicate materials stewardship throughout our company and in our business dealings with our customers, primary feed material suppliers and governments.		Continued to engage with industry associations and consortia on materials stewardship Developing internal communications on materials stewardship	2015

Social Management

We focus on maximizing opportunities and benefits for our communities of interest (COIs) and on managing the social impacts of our activities.

Social Management and Responsibility at Teck (SMART)

We manage our social impacts through the SMART Framework, which is designed to manage social risk and improve social performance across our company. The SMART Framework includes practical tools, guidance, training and social management systems for executing our work with communities. It is designed to assist us in creating and maintaining our ability to explore, develop, operate and close mines while reducing operational and reputational risk.

We are working to develop social management systems, a systems-based approach to social management that follows a Plan-Do-Check-Act process and ensures that engagement with our COIs is at the heart of every policy, practice and plan. To that end, Highland Valley Copper and Red Dog operations began work towards developing a social management system in 2012 by drawing from the approach used in environmental,

health and safety management systems such as ISO 14001. In 2013, we will pilot our social management system at these sites.

The SMART Toolkit provides a set of tools and guidelines that put our SMART Framework into practice by providing a consistent approach to managing social risk and improving social performance during all phases of the mining life cycle, from exploration to mine closure. As shown in Figure 3, the SMART Toolkit includes:

- Guidance on key themes that must be addressed during our activities; examples of key themes include human rights and community health
- Process tools that provide guidance on social management processes such as engagement planning and community investment
- Phase-specific tools that provide guidance on social considerations relevant to specific phases in the mining life cycle, such as exploration

Figure 3

SMART Toolkit



Why is Social Management Important? 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 a subsequent rise in local incomes and prices
- Changes to population and demographics, such as increased migrant workers and/or a population influx seeking economic opportunities
- Increased demand for skilled workers, putting pressure on the ability of existing training facilities to supply people with the needed skills
- Increased demand on existing health and emergency response services due to the influx of people
- Changes to family life and social structures, such as family separations caused by fly-in, fly-out work camps
- Restricted access to land and resources due to the presence of mine sites and their associated infrastructure
- Increased traffic on roads from workers driving to/from sites and product being trucked to ports or rail facilities

Engaging With Communities of Interest

COI engagement is central to informing our impact, risk and benefit management. We engage with communities beginning in the exploration phase and continuing throughout the mining life cycle. Engagement is about:

- Disclosing and appropriately communicating accurate and timely information
- Gathering information and maintaining an open dialogue, so we can fully understand the views and concerns of our COIs
- Involving COIs, as far as practical, in decision-making around the operation or project
- Collaborating with COIs on issues of mutual interest

Our goal is to ensure that our interactions with COIs are meaningful and constructive. We engage with COIs at our operations, resource development projects and exploration projects. We train employees who work with communities in an approach to dialogue that is people-centred and focused on relationships, rather than on issues.

We engage with COIs regularly to explain our activities and to hear their feedback. We have been working to develop and implement free, accessible and time-bound feedback mechanisms at all of our operations and resource development projects. We use a range of methods to obtain feedback, including telephone hotlines, comment drop boxes, email, multi-stakeholder panels and visiting remote communities. Our feedback mechanism helps us consistently identify, monitor and address issues, a vital component of our social management approach. For more information, see pages 30 and 31 of our 2011 Sustainability Report.

See pages 42 and 123 for an overview of our performance related to managing social impacts.



Environmental Management

We work to be responsible stewards of the environment. Our aim is to minimize our footprint, mitigate our impacts and, once mining operations have ceased, leave behind ecosystems that support productive uses for future generations. Across all of our operations, our focus is on designing and implementing comprehensive environmental management systems that demonstrate environmental stewardship.

Within our Environment, Health, Safety and Community (EHSC) Management System, our approach to environmental management includes our EHSC Management Standards and an environmental audit program that helps drive continual improvement and assesses compliance with environmental regulations. Additional information on our management approach is provided within the water, biodiversity and energy focus areas.

External Certification

Since 2002, we have worked towards certification of environmental management systems to conform to the internationally recognized ISO 14001 standard, which requires external verification through third-party audits conducted by accredited certification service providers. To date, 10 of our 13 operations have attained or maintained ISO 14001 certification. Our Pend Oreille mine is currently not operating and is in care and maintenance. Quebrada Blanca and Carmen de Andacollo are currently working towards certification.

Environment, Health and Safety Compliance

Our Environment, Health and Safety (EHS) assurance program is designed to check that requirements are met, as dictated by applicable permits, legislation and regulations in the respective jurisdictions. We conduct EHS compliance audits on a three-year rotational basis for all operations, as well as mid-term reviews to assess resolution of audit findings. In 2012, the following operations underwent a third-party audit to assess EHS regulatory compliance:

- Elkview Operations, British Columbia
- Fording River Operations, British Columbia

We develop corrective action plans based on audits and regularly assess implementation of these plans.

We monitor environmental data to evaluate our performance with respect to permits and other regulatory requirements and voluntary commitments. Monitored parameters include:

- Water quality (releases to water, surface water, groundwater and receiving water)
- Emissions to air

- Ambient air quality
- Biodiversity programs (including land reclamation)
- Noise levels
- Incident information (spills)
- Energy consumption and greenhouse gas emissions
- Material use and recycling information

We conduct thousands of measurements to monitor environmental compliance at our operations. Compliance across all of our operations remained above 99% in 2012. However, in 2012, we had 81 permit non-compliance incidents and four regulatory non-compliance incidents¹. Our major non-compliance incidents are discussed in the Significant Environmental Spills section. See our Performance Overview Table on pages 108–109 for more details.

Waste Management

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

We have systems in place to responsibly manage all of our waste materials. In 2012, our operations generated 822 million tonnes of mineral waste, with the vast majority coming from the extraction of ore and coal. See our Performance Overview Table on pages 108–109 for a detailed breakdown of mine waste information.

¹ We monitor environmental compliance for all of our activities, including operations that we manage, resource development projects, exploration sites and dormant properties.

Waste Rock

Waste rock is removed to access metal-containing ores and coal, and typically contains trace amounts of metals and other constituents. Therefore, waste rock must be properly managed to prevent negative effects on local water bodies. 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 that can lead to generation of acidic conditions and/or 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, which include contouring, covering and revegetation to achieve established land use objectives. In 2012, we generated 746 million tonnes of waste rock.

Tailings and Fine Coal Refuse

Tailings and fine coal refuse are the finer fraction of the processed material that have, respectively, no economically recoverable mineral or coal content. Tailings and fine coal refuse are typically discharged to specially designed storage facilities enclosed by dams. In the case of fine coal refuse, several of our operations dewater and place the fine refuse in either coarse refuse piles or stack the fine refuse in its own facility. Where we do have tailings dams, we maintain the integrity of these dams through formal management programs that include rigorous monitoring and inspection. In 2012, we generated 66 million tonnes of tailings and fine coal refuse from processing ore and raw coal.

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 used as a construction material if it is not susceptible to acid generation and metal leaching. 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. In 2012, we generated 10 million tonnes of CCR from handling raw coal.

Non-Mineral Waste Management

We use a broad variety of supplies and materials to aid in the processing of our products. In 2012, our operations used the following key process materials that were not recyclable or reusable: explosives (241,246 tonnes), sulphuric acid (101,782 tonnes), lime (60,155 tonnes) and grinding media (44,868 tonnes). In 2012, the list

of key process materials used at our Trail Operations refinery and smelter included zinc concentrates (511,941 tonnes), lead concentrates (165,271 tonnes), ammonia (68,704 tonnes) and limestone (47,555 tonnes).

Hazardous and non-hazardous wastes are segregated and disposed of in accordance with waste management plans and regulatory requirements. The primary hazardous waste streams 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.

Air Quality

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

- Adjusting blasting practices when winds are unfavourable
- Applying sealants and dust suppressants to material piles and roadways
- Using water sprays on roadways and while handling dusty materials
- Using road sweepers and washing roads
- Applying cover systems for trucks and railcars
- 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

We monitor and report point-source emissions and ambient air quality outside the boundaries of our operations regularly to ensure that acceptable levels of air quality parameters are not exceeded. Monitoring methods include real-time particulate monitors, high-volume monitors programmed to sample air over a 24-hour period, and dust fall jars, which provide a simple and effective way 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 2012 are summarized in Table 20 on page 122.

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. These 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. For more significant incidents, we conduct extensive investigations to identify the root causes and implement remedial measures and corrective actions to prevent the future occurrence of similar events.

In 2012, there were a total of 176 reportable spills at our operations, compared to 225 reportable spills in 2011 (a 22% decrease). Of the 176 reportable spills in 2012, 77% were less than 500 litres in volume, or 500 kilograms in weight for solids. Over the last six years, the number of reportable spills has decreased by 42%, compared to 306 spills reported in 2007. Spills greater than 1,000 litres in volume, or 1,000 kilograms in weight, accounted for 10% of reportable spills in 2012. There was no evidence of potential long-term impacts on people or the environment as a result of these spills.

Significant Environmental Spills

We classify environmental spills based on a severity index that considers:

- The location of the spill, with spills beyond the boundaries of the operation considered more severe
- The substance spilled
- The amount spilled

Based on the above criteria, there was one significant spill in 2012 and one in early 2013.

The 2012 spill, which occurred at Elkview Operations in British Columbia, involved the release of sediment-containing (turbid) water down Goddard Creek and into the Elk River. The release occurred during a scheduled sedimentation pond upgrade (intended to improve the water quality leaving the operation) when turbid water being pumped from the project location entered Goddard Creek. Although there were no long-term environmental impacts caused by the incident, a number of corrective actions were identified and carried out to prevent a similar incident from occurring in the future.

On January 4, 2013, a fuel oil spill was caused by the failure of a pipe, which allowed heavy fuel oil to discharge into a trench connected to the sewage water treatment plant at our Quebrada Blanca Operations in Chile. Once the fuel oil entered the plant, it passed through the treatment facility and was discharged with the treated water into a ravine. Once the leak was detected, the source was shut off and containment efforts were initiated. By the end of March 2013, cleanup of the ravine was complete in the areas most affected by the fuel oil spill. Since the incident, we have also replaced pipes and redesigned containment ponds around the oil storage facility to ensure that this kind of incident does not reoccur.

Fines

In May 2012, we paid a stipulated penalty from a 2008 Settlement Agreement of US\$162,625 to the U.S. Treasury for discharge exceedances related to Red Dog Operations.

Environmental Litigation

We and our affiliates are involved in environmental proceedings in connection with Trail Operations and the Upper Columbia River. Please see page 72 in this report and page 119 in our 2012 Annual Report for more information.

Environmental Awards Received in the Reporting Period

- *BNSF Product Stewardship Award (Trail Operations)*: Awarded to customers who ship more than 500 loaded tank cars of sulphuric acid on the BNSF Railway without a release in a calendar year
- *Canadian Pacific Product Stewardship Award (Trail Operations)*: Awarded to customers who ship more than 500 loaded tank cars on a rail line without a release in a calendar year
- *Institute of the North Robert O. Anderson Sustainable Arctic Award (Red Dog Operations)*: Awarded for commitment to sustainable development in the Arctic
- *Carbon Disclosure Project (CDP)*: Teck was named to the CDP's Canada 200 Carbon Disclosure Leadership Index, achieving a disclosure score within the top 10% of Canada's 200 largest companies by market capitalization (as listed in the Toronto Stock Exchange); we ranked fourth in Canada, and first in our sector

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 to the spirit and intent, as well as the technical requirements, of all contracts that we enter into and 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 doing what is right, we have a Code of Ethics available in English, Spanish, Chinese and Turkish. This code specifies the kinds 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: Promotes competition and protects the public, Teck and other companies from illegal trade practices
- Anti-Corruption Compliance Policy and Manual: Prohibits the payment of money or the giving of things of value to governmental officials or commercial counterparties in order to obtain business or secure an improper advantage for Teck
- Human Rights Policy: Articulates our commitments in what we believe to be our core impact areas, and meets the standard articulated in the United Nations Guiding Principles on Business and Human Rights
- Employee Trading Policy: Outlines restrictions on trading, on investments in companies associated with Teck, and on serving as a director of a related company, as well as conflicts of interest
- Employee Concerns Disclosure Program: Deals with employee concerns around Code of Ethics violations such as accounting and auditing irregularities, threats to personal safety and health, environmental violations or personal harassment; as part of this program, our *Doing What's Right* hotline enables employees to anonymously report unethical conduct to an independent service provider; appropriate Teck personnel investigate all reports
- Corporate Disclosure Policy: Ensures that we provide the public with timely, factual and accurate information on the affairs of our company, consistent with legal and regulatory requirements

Annually, all non-union, non-hourly employees are required 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 on the Code of Ethics, including issues such as insider trading, conflicts of interest and harassment.

Non-Discrimination

We require a work environment free from discrimination, including personal harassment and sexual harassment; discriminatory practices are unacceptable and not tolerated. Any allegation made is 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, supervisor or any other person. We are also committed to fully complying with all local laws that address discrimination and harassment.

In 2012, three matters arose through the company's *Doing What's Right* hotline reporting system that included allegations of discrimination². All three incidents were investigated. In one instance, discriminatory conduct was found to have occurred and discipline was imposed. A second complaint was determined to be unfounded. The third matter was the subject of legal proceedings, which were largely resolved in favour of the company.

Anti-Corruption

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 policy, gifts or entertainment may not be made to government officials to assist Teck in obtaining or retaining business, nor can employees provide gifts or entertainment that are prohibited by the applicable country or local laws. Employees who work with government officials or who could potentially have contact with government officials are required to complete an anti-corruption training program. In 2012, approximately 800 employees completed this training.

²This represents incidents that were brought to the attention of senior management in our head office. Incidents that are resolved at the site-level and not escalated to senior management are not included.

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, complete our training. There were no incidents of corruption identified in the 2012 reporting year.

Annually, our internal audit department, on behalf of management, evaluates the effectiveness of our internal control systems over financial reporting. This initiative also 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 2012, internal control testing was performed at individually important locations across all business units, representing approximately 95% of the company's 2012 consolidated assets.

Conflicts of Interest

The *Canada Business Corporations Act* sets out the rules addressing directors' conflicts of interest. Directors are required to disclose a material interest in any transaction or agreement that the Board 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. Our Code of Ethics contains provisions regarding conflicts of interests for employees.

Public Policy Initiatives

In 2012, we engaged directly and indirectly with various industry groups in several public policy initiatives related to our business, including advocacy for:

- Increasing mining-related opportunities for Canadian Aboriginal Peoples and under-represented groups in the areas of human resources, skills development and training
- Providing access and funding for transportation and infrastructure in British Columbia
- Facilitating efficient and effective permitting processes in Canada — generating jobs, economic growth and promoting environmental stewardship in the communities where we live and operate
- Establishing sound environmental regulations for water quality standards in Canada
- Maintaining British Columbia's competitive fiscal regime

- Developing apprenticeship programs and promoting training and employment in mining for women in Chile
- Defining the framework for the U.S. implementation of the Extractives Industries Transparency Initiative, including how to align these requirements with U.S. legislation

We report our advocacy activities in an open and transparent manner, and publicly report on our activities via lobbyist registries in jurisdictions where we operate.

Political Contributions

From time to time we make political contributions in Canada in the provinces in which we operate; in 2012, our contributions totalled approximately \$263,200. All contributions are made in accordance with applicable laws.

Helping to address global health issues: partnering to save lives

Zinc & Health: Saving Lives Around the World

2012 was an exciting year for our Zinc & Health program. We developed new programs and partnerships with the goal of eliminating zinc deficiency, a global health challenge that affects two billion people worldwide and contributes to the death of nearly 450,000 children under five each year.

At the World Economic Forum in January 2012, we entered into a three-year partnership with chemical company BASF to jointly develop affordable zinc fortification and supplementation solutions, with the goal of reducing zinc deficiency among 100 million people in developing countries by 2015. Our partnership aligns with the “Scaling Up Nutrition” movement — a joint coalition of governments, civil society, the United Nations (UN), donors, businesses and researchers — that aims to help meet the UN Millennium Development Goals to halve poverty and hunger by 2015. In May 2012, Teck, the Micronutrient Initiative and the Canadian International Development Agency, as partners in the Zinc Alliance for Child Health (ZACH), launched its first pilot project in Senegal. To date, ZACH has supplied 39,000 zinc treatments to health facilities and treated more than 8,000 cases of diarrhea with zinc and oral rehydration salts. Throughout the year, we also raised awareness about zinc deficiency to a global audience through Free The Children’s We Day events across Canada. A successful Zinc Saves Lives Twitter campaign reached an audience of more than five million Twitter users.



Our Sustainability Governance and Management

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 wherever we do business. Sound governance systems protect the interests of investors and other communities of interest (COIs), and ensure that we are well managed.

The Safety and Sustainability Committee of the Board 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 Environment and Risk Management Committee (CERMC) is composed of senior management, and approves policy and provides oversight and direction for the identification and management of Environment, Health, Safety and Community (EHSC) risks.

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. Among her direct reports are the:

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

Our Vice President of 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 of 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 EHSC management systems, conformance with and certification with the International Organization for Standardization ISO 14001 standard where applicable, and continual progress

towards annual EHSC targets and our sustainability goals. Each General Manager reports to either a Vice President or the Senior Vice President of their respective business unit.

Board of Directors

Our Board of Directors is responsible for the stewardship of our company and ensures that an appropriate corporate governance structure and system is in place. Their mandate is described in detail in our Management Proxy Circular, available on our website.

Key committees — Audit, Compensation, Corporate Governance and Nominating — are made up entirely of independent directors. In addition, the Safety and Sustainability Committee of the Board reviews corporate policies, procedures and performance with respect to safety and sustainability.

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 Chairman of the Corporate Governance and Nominating Committee.

An independent director of the Board is:

- Not an executive or member of management, and is free of any interest or of a business, family or other relationship that could reasonably be perceived as interfering with the director's ability to act with a view to the best interests of our company, other than interests and relationships arising solely from shareholdings in our company
- Not considered to have a direct or indirect material relationship with our company

Eleven of the 14 members of the Board (79%) are independent and/or non-executive. 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.

Board Qualifications and Expertise

It is the responsibility of the Corporate Governance and Nominating Committee to identify necessary competencies and skills for Board members. Social and environmental experience are part of the selection criteria. The Committee annually conducts an 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 2012, there were no shareholder proposals or resolutions presented at the shareholders meeting.

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

- Email to our company's website
- Direct or telephone contact with the 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 invite employees to ask questions and receive answers on any topics, including social and environmental issues, are held several times a year.

Executive Remuneration

The Compensation Committee is responsible for reviewing and approving the CEO's corporate goals and objectives, evaluating CEO performance in these areas and making recommendations to the Board on CEO compensation. The committee also reviews and approves senior officer and director compensation, incentive compensation plans and equity-based plans.

Incentive compensation of the CEO and senior officers is performance-based. Environment, health, safety and community (EHSC) performance is taken into consideration in the annual review of base salary, and 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 EHSC 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 EHSC responsibilities, the bonus weighting for EHSC is 17% plus what is included in the personal component related to this performance area. Like the CEO, the personal component also makes up 30% of the bonus for these executives.



Teck's Board of Directors (left to right sitting): Donald Lindsay, Norman Keevil (left to right standing): Takeshi Kubota, Jalynn Bennett, Warren Seyffert, Chris Thompson, Mayank Ashar, Edward Dowling, Norman Keevil III, Hugh Bolton, Janice Rennie, Jack Cockwell, Brian Aune, Takashi Kuriyama (not shown: Felix Chee)

Community



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 important?

Business activities have impacts, both positive and negative, on communities. Community expectations and influence on businesses continue to escalate. In addition, as regulatory, investor and non-governmental organization scrutiny increases, so does the demand for increased transparency and information on businesses' social performance.

The rapidly evolving business environment, influenced by global trends such as the decreasing availability of fresh water and the pressure to reduce greenhouse gas emissions, is making it more challenging for companies to demonstrate that they leave communities better off as a result of their interactions with them. Uncertainty over the application of free, prior and informed consent (FPIC) principles while engaging with Indigenous Peoples and the growing demand for benefit sharing and shared decision-making are some examples of the challenges that businesses face while working to build community support and maximize community benefits.

What does it mean for Teck?

Our products are essential to improving the quality of life for people around the world. However, both our products and our activities can positively and negatively affect the communities we interact with. Building new projects and operating mines can have a dominant economic influence in the regions where we operate. This economic influence can help drive community development; however, if not managed well, it can also result in dependency and inequality.

Building community support for our activities is essential to maintaining our ability to operate. As a result, we must continually work to gain the support of communities and Indigenous Peoples with whom we interact by being a trusted and respected partner who contributes positively to the well-being of local communities, throughout the mining life cycle.

How is this focus area connected with the others?

Community is closely linked to our other focus areas. For example, our work with communities includes engagement and collaboration to improve the fair use of water within our areas of influence.

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

COIs are impacted by our activities. They increasingly expect negative impacts to be mitigated and positive impacts to be maximized. Consequently, our COIs are

looking for increased transparency and improved social performance.

What is our approach?

Our sustainability strategy outlines our overall approach to communities, including our community vision, goals and actions. We use our Environment, Health, Safety and Community (EHSC) Management System and the Social Management and Responsibility at Teck (SMART) Framework to help us take action towards achieving our goals and implementing a consistent approach to managing our social performance.

What progress have we made against our goals?

In 2012, we continued to embed social management practices in our company. This work was focused on implementing company-wide social management systems while building our internal capacity to engage effectively with communities. Key actions towards our goals in 2012:

- Formalized our Human Rights Policy, outlining our overarching approach to respecting and enhancing human rights
- Created our site-level Human Rights Assessment tool aligned with the United Nations Guiding Principles on Business and Human Rights, and launched pilot assessments at two of our sites
- Launched our Community Investment Program, including a community investment policy and reporting framework
- Completed Social Risk Assessments at eight of our sites

See our Detailed Goals Dashboard on pages 132–134 for more achievements we made in this focus area.

Material Topics

- | | |
|---|-------|
| • Maximizing Sustainable Benefits for Communities | 34 |
| • Managing Impacts on Communities | 42 |
| • Understanding and Respecting the Rights of Indigenous Peoples | 43 |
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| • Creating Opportunities for Meaningful Community Engagement | 32–51 |

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 promoting long-term economic opportunities coupled with strategic community investments to help ensure that we leave a positive and sustainable legacy.

In 2012, we generated approximately \$10.3 billion and distributed approximately \$8.1 billion in economic value as defined by the Global Reporting Initiative (Table 2).

Table 2

Economic Value Generated and Distributed (\$ in millions)⁽¹⁾

	2012						2011
	United States	Canada	Chile	Peru ⁽²⁾	Other	Total	Total
Economic Value Generated							
Revenues	899	7,451	1,096	897	–	10,343	11,514
Economic Value Distributed							
Operating Costs ⁽³⁾	423	3,943	678	184	30	5,258	4,778
Employee Wages and Benefits	83	1,016	129	87	10	1,325	1,195
Dividends to Shareholders ⁽⁴⁾	–	469	–	–	–	469	354
Interest Paid	–	426	–	2	–	428	377
Income and Resource Taxes Paid ⁽⁵⁾	76	264	10	218	10	578	823
Community Investments ⁽⁶⁾	1	18	3	–	1	23	24
Subtotal	583	6,136	820	491	51	8,081	7,551
Economic Value Retained	316	1,315	276	406	(51)	2,262	3,963

⁽¹⁾All amounts are reported using International Financial Reporting Standards.

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

⁽³⁾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.

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

⁽⁵⁾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.

⁽⁶⁾See our community investment section on page 35 for a breakdown of this figure.

Community Investment

We define community investment as a voluntary action or contribution, beyond the scope of our normal business operations, that is intended to benefit our COIs in ways that are sustainable and support our business objectives.

In 2012, we met our goal of developing and launching a comprehensive Community Investment Program that includes a community investment policy and reporting framework. The program was designed to align our investments with our business and sustainability strategy in order to:

- Leverage our business goals, competencies and knowledge to create added social value
- Mitigate specific social risks faced by our company

- Collaborate with communities towards long-term development and social goals, locally and globally

Each of our operations is now working to develop strategic community investment plans that align with our community investment policy by 2014.

Company-wide, our aim is to donate 1% of annual pre-tax earnings to community investments, on a five-year rolling average basis. In 2012, we met this goal, by donating more than \$23 million to over 1,000 charitable organizations and projects across our operations, offices, exploration properties and development projects (Table 3). Our community investments consisted mainly of cash donations, with less than 3% (\$692,000) provided in-kind.

Table 3

Community Investment⁽¹⁾⁽²⁾

Site	2012	2011	2010
Carmen de Andacollo Operations	\$ 1,888,000	\$ 1,436,000	\$ 1,195,000
Coal operations ⁽³⁾	1,716,000	3,047,000	1,694,000
Duck Pond Operations	171,000	221,000	179,000
Highland Valley Copper Operations	716,000	814,000	763,000
Pend Oreille Operations	8,000	58,000	5,000
Quebrada Blanca Operations	586,000	961,000	526,000
Red Dog Operations	338,000	809,000	919,000
Trail Operations	403,000	529,000	411,000
Wintering Hills Wind Power Facility	15,000	–	–
Corporate Offices ⁽⁴⁾	16,481,000		
Projects ⁽⁵⁾	666,000	16,629,000	14,322,000
Exploration Offices ⁽⁶⁾	204,000		
Total	\$ 23,192,000	\$ 24,504,000	\$ 20,014,000

⁽¹⁾ We report data according to our ownership percentage of each operation. Our reported community investment does not include contributions to business-related investments through donations, sponsorship of events, and individual scholarships. In 2012, this totalled \$1,971,000 (see Table 21 on page 123).

⁽²⁾ In future years, as more operations develop the capacity to fully report on in-kind contributions, management overhead and employee time, we will be better able to measure the full extent of our contributions.

⁽³⁾ Coal operations include: Cardinal River, Coal Mountain, Elkview, Greenhills, Fording River and Line Creek.

⁽⁴⁾ Corporate offices include: Beijing, Calgary, Santiago, Shanghai, Spokane, Toronto and Vancouver.

⁽⁵⁾ Projects include: Frontier, Galore Creek, Mesaba, Quebrada Blanca Phase 2, Quintette and Relincho.

⁽⁶⁾ Exploration includes: Australia, Canada, Chile, Ireland, Mexico, Namibia, Peru, Turkey and the U.S.

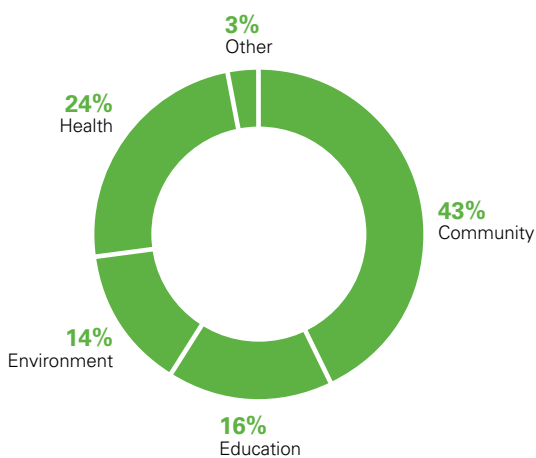
Our community investment policy and reporting framework is guided by the London Benchmarking Group, an internationally recognized organization that helps companies measure, assess and report on community investments across the categories of what we support and where, how and why we contribute. Our reported community investment does not include contributions to business-related investments through donations, sponsorship of events, and individual scholarships. In 2012, this totalled \$1,971,000 (see Table 21 on page 123).

What We Support

We focus our contributions on community, education, environment and health, which are categories that align with our sustainability strategy and business objectives. From time to time, we also support other categories such as arts and culture. See Figure 4 below for a breakdown of our contributions in these areas.

Figure 4

What We Support

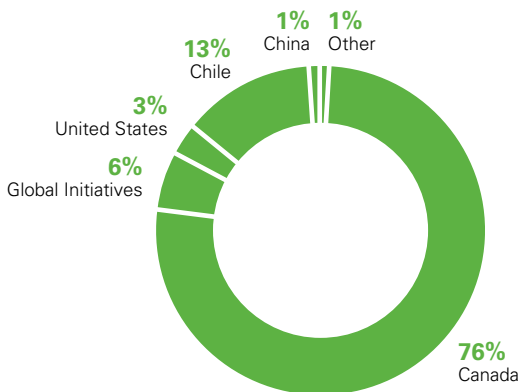


Where We Contribute

Building and maintaining our community relationships is essential, not only to our success, but also to the sustainable future of communities. That is why our community investment program is designed to support the many communities where we live and work (Figure 5).

Figure 5

Where We Contribute⁽¹⁾



⁽¹⁾The chart represents the location(s) impacted by the investment. We are working to improve our systems to more accurately report this data in the future.

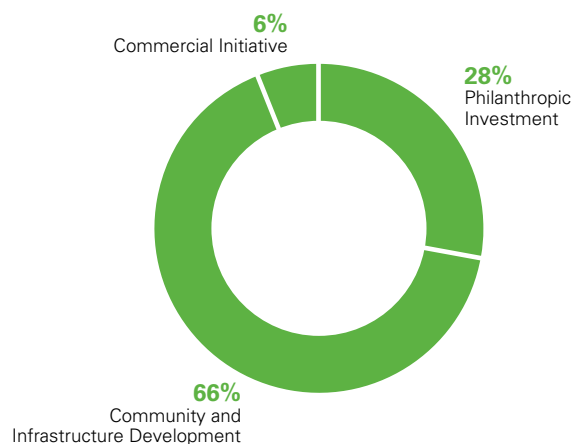
Why We Contribute

As shown in Figure 6, the motivations for our contributions are categorized as:

- Philanthropic investments that are a response to a request from an organization
- Community and infrastructure developments that contribute to programs that enhance the well-being and infrastructure development in a community
- Commercial initiatives that have a direct business benefit through the promotion of our company as well as a benefit to the communities where we live and work

Figure 6

Why We Contribute





Using the Sun to Strengthen Communities in Chile

Residents in the community of Andacollo in central Chile near our Carmen de Andacollo Operations are harnessing the power of the sun to do everything from cook food to heat water, thanks to a partnership between Teck, the local municipality and community organizations. A variety of projects are being promoted to support locally identified priorities using a renewable energy supply that is abundant: solar power. One example is a solar oven, which is made from sustainable materials such as wood, fibreglass and thin reconstructed wood, plus glass and a mirror. The oven concentrates sunlight onto a cooking pot, reaching temperatures of up to 150° Celsius. In addition to the environmental benefits, a solar oven also provides economic benefits, as it can reduce the average family gas bill by 60%. Teck has also supported workshops to teach local families how to assemble and use the ovens. Since the project was launched in 2011, the use of the solar ovens has grown and they are now commonplace in Andacollo. Channelling the power of the sun for everyday use is one way we can create sustainable benefits in communities near our operations.

Supporting Community-based Health Care in Namibia

Our success in exploration requires a commitment to build strong relationships with communities. As such, we are proud to support an important community health initiative in Namibia, one of the countries in which we are actively exploring. The Health Extension Worker (HEW) program, which was created by the Government of Namibia and is supported by the United States Agency for International Development (USAID) and by United Nations Children's Fund (UNICEF) Namibia, trains local men and women to provide basic health care services to children and families living in sparsely populated areas, or where clinic facilities are located too far away for easy access.

In April 2012, the first phase of the pilot program launched with a six-week intensive training course for 40 prospective HEWs from the Opuwo District, selected because of its remote geographical location and because of cultural barriers that had previously resulted in poor accessibility to health services. In October, 34 HEWs successfully completed the training course and were deployed into the field to carry out preventative services, along with some curative services, with regards to childhood illnesses, immunization, water, sanitation and hygiene. Additional services include nutrition, maternal and neonatal care counselling, first aid, disability prevention and rehabilitation, and support in dealing with HIV/AIDS and tuberculosis-related social welfare issues.

To date, the program has been well received by traditional leaders and the community at large, and anecdotal reports have confirmed increased numbers of mothers seeking prenatal care and immunization services. We look forward to the continued success of this important program that provides front-line, community-based health care access for children and their families in rural Namibia.

Creating Economic Opportunities

We aim to maximize local hiring and procurement opportunities by creating jobs that support livelihoods, by promoting diversified and sustainable local economies that support new and emerging enterprises, and by promoting long-term capacity building. All of this helps to enhance the long-term sustainability of communities after a mine closure.

Locally sourcing goods, services and people helps us gain community support for our activities, enhances our local knowledge, facilitates our access to local resources, and mitigates business and social risks.

We are working to increase these direct benefits in our areas of influence, such as with Aboriginal groups in Canada. We are currently developing guidance documents to support the inclusion of Indigenous Peoples in our business. We plan on releasing these documents in 2014 and expect that they will help us

to meet commitments made in our agreements with Indigenous Peoples, and to meet any site-specific objectives for Indigenous procurement. We are also developing a local hiring and procurement tool that will provide guidance on how to design and implement a strategy to maximize local hiring and procurement.

Local Procurement

Most purchasing at Teck is decentralized, and the responsibility for sourcing goods and services is shared across departments and sites. When possible, we use local suppliers, providing that they meet our standards and provide cost-competitive goods and services.

Table 4 shows the percentage of local procurement by 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.

Table 4

Percentage of Spending on Locally Based Suppliers⁽¹⁾

Operation	2012 (%)	2011 (%)	2010 (%)	Definition of Local
Cardinal River	8	14	24	Regional
Carmen de Andacollo	10	8	5	Regional
Coal operations, Elk Valley ⁽²⁾	38	44	23	Regional
Duck Pond	53	52	55	Province-wide
Highland Valley Copper	26	27	15	Regional
Pend Oreille ⁽³⁾	21	27	51	Regional
Quebrada Blanca ⁽⁴⁾	13	6	10	Regional
Red Dog	51	57	45	State-wide
Trail	9	6	9	Regional

⁽¹⁾ The definition for local currently varies by operation. We are working to standardize the approach to defining local procurement.

⁽²⁾ Coal operations located in the Elk Valley of British Columbia are Coal Mountain, Elkview, Fording River, Greenhills and Line Creek operations.

⁽³⁾ Local procurement at Pend Oreille Operations has decreased since 2009 when the operation was put in care and maintenance, reducing its need for goods and services.

⁽⁴⁾ Data for 2011 does not include purchases of local services.

At some of our projects and operations, we 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 increased from 5% in 2010 to 10% in 2012 (see the box on page 40).

Indigenous Peoples Procurement

As a result of engagements and agreements, we have entered into business relationships with Indigenous Peoples in many areas and have long-term relationships with Indigenous suppliers and contractors. In 2012, our operations spent approximately \$116 million on suppliers who self-identified as Indigenous, the vast majority of which was at Red Dog. Currently, not all of our sites are tracking spending on Indigenous suppliers. We are developing improved tools to track this information as we move towards our goal of increasing Indigenous procurement at our operations.

In 2012, 45% of total procurement spending at Red Dog Operations was with local Indigenous suppliers. This is in alignment with our agreement with NANA³ to maximize spending on local Indigenous suppliers. As part of our Galore Creek project and exploration work in the Tahltan Territory in British Columbia, Tahltan contract employees and service providers continue to make up a significant portion of the workforce and of subcontractors. Currently, 45% of our contract employees and 37% of our supplier contracts are Tahltan. At the Quintette project, we are developing an Aboriginal inclusion plan to support our use of Indigenous suppliers.

In collaboration with the Ktunaxa Nation, our five steelmaking coal operations in the Elk Valley of British Columbia have developed a Procurement and Employment Operational Working Group that is focused on increasing Ktunaxa participation in employment and hiring. Initiated in 2009, the committee has successfully increased the number of Ktunaxa employees and the amount of procurement with Ktunaxa businesses.

³NANA Regional Corporation, Inc. (NANA) is a Regional Alaska Native corporation owned by the Iñupiat people of Northwest Alaska. They are shareholders of NANA, which owns the land and the mineral rights in the area of the mine.

Local Procurement at Carmen de Andacollo (CdA) Operations

In 2011, the finance and contracts departments at CdA began work with the Contractors' and Suppliers' Association of Andacollo, which comprises over half of CdA's contractors, to create a local business development strategy.

Through this joint working process and CdA's commitment to working with its COIs and especially its immediate neighbours, sustainable value in the local economy was realized. Businesses were created in the local area: a metallurgy lab, which previously did not exist in the area, and cleaning and catering services that can supply CdA throughout the life of mine.

Benefits of developing local suppliers for CdA have included:

- Lower costs of supplies, due to more efficient transportation and logistics
- Higher commitment from suppliers to deliver goods and services
- Better availability of goods, services and response time because of proximity to the site
- Fewer delays in contractor start times due to contractor possession or awareness of proper certifications or required clearances
- Improved reputation and local relationships
- Strengthened trust and relationships between CdA and the town of Andacollo

The town of Andacollo also realized benefits, including:

- Direct economic benefits to the community through direct employment and local suppliers hiring local workers
- Creation of new businesses
- Improvements in employment prospects through training and experience
- Independence from CdA through economic sustainability

As a result of these efforts, we have seen the number of Andacollo residents working for contractors that serve CdA triple between 2007, when we first started tracking this number, and the end of 2012, which was the program's second year. The amount of local procurement has also increased, from US\$2 million in 2007 to US\$27 million in 2012.

CdA continues to work with the Contractors' and Suppliers' Association to exchange information, address gaps between the company's needs and suppliers' capabilities, and create joint strategic objectives.

CdA's next steps are to replicate the local-level success at the regional and national levels. Regionally, CdA is attempting to increase the percentage of the expenditure that it currently makes at the national level. And countrywide, CdA is working with other mining companies to create national clusters for mining suppliers, and supporting its most promising suppliers in their efforts to become world-class.

Hiring Indigenous Peoples

We are working to increase the number of Indigenous Peoples working at our sites.

The number and percentage of Indigenous Peoples in our workforce is shown in Table 5. Red Dog is the only operation with a formal tracking system for Indigenous employees, as maximizing Indigenous employment

forms part of our operating agreement with NANA. We are working towards 100% of our employees being NANA shareholders; currently, this number stands at 55%. At our Galore Creek resource development project, 34% of employees are from the Tahltan Nation. Other operations and projects are working towards tracking this indicator through voluntary self-identification.

Table 5

Number and Percentage of Indigenous Employees⁽¹⁾

Operation	2012		2011		2010	
	Number	Percentage	Number	Percentage	Number	Percentage
Cardinal River	27	6	n/a	n/a	n/a	n/a
Coal Mountain	3	<1	n/a	n/a	n/a	n/a
Highland Valley Copper	90	7	80	2	80	7
Red Dog	243	55	221	50	245	55

⁽¹⁾ "n/a" denotes data that is not available.

Local Hiring

We aim to maximize local hiring opportunities. In some cases, sites are developing local hiring programs tailored to their specific circumstances. Table 6 below provides a breakdown of local hiring at our operations.

Table 6

Numbers and Percentage of Local Employees⁽¹⁾⁽²⁾

Operation	2012		2011		2010		Definition of Local
	Number	Percentage	Number	Percentage	Number	Percentage	
Cardinal River	413	88	392	87	346	85	Regional
Carmen de Andacollo	487	59	524	65	425	64	Regional
Coal Mountain	247	75	229	71	188	77	Regional
Duck Pond ⁽³⁾	259	93	150	55	145	58	Province-wide
Elkview	671	55	646	68	653	76	Regional
Fording River	800	67	820	68	795	71	Regional
Greenhills	441	72	584	94	448	80	Regional
Highland Valley Copper	1,221	93	1,158	93	1,114	93	Regional
Line Creek	362	72	329	70	307	75	Regional
Pend Oreille	61	77	51	84	36	84	Regional
Quebrada Blanca	418	54	482	54	455	54	Regional
Red Dog	369	85	367	78	352	78	State-wide
Trail	1,590	99	1,560	99	1,500	99	Regional

⁽¹⁾ There are differences in how each operation defines local and tracks their data, so operations are not directly comparable. We are working to standardize the approach to defining local at each operation.

⁽²⁾ Historical human resources-related data can change based on the date a report is run. 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 58.

⁽³⁾ In 2012, Duck Pond Operations expanded its definition of local from regional to province-wide.

Managing Impacts on Communities

As part of our effort to continuously improve our social performance and meet our sustainability goals, each of our sites has completed or is working to complete a social baseline study and a social impact assessment by the end of 2013.

The purpose of the baseline study is to enable sites to better understand the people, places, institutions and trends in their surrounding area. In addition, social impact assessments help sites understand how their activities affect their surroundings. Together, social baselines and impact assessments form the foundation of how we understand and manage our impacts.

Engaging with Communities

Engagement with communities of interest (COIs) is the core activity for managing 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, respect human rights and build long-term sustainable outcomes for communities. Engagement is also the primary method for us to understand our impacts on communities near our operations.

Communities located near our sites are most likely to be affected by our activities. Through engagement, we identify means of collaboratively managing our impacts. For example, at our Red Dog Operations we have established a Subsistence Committee to manage potential effects on hunting and gathering. At Carmen de Andacollo Operations, we work with small-scale artisanal miners⁴ to assess their need for access to mineral resources on or adjacent to our property. See Table 22 on page 123 for more information.

Feedback from Communities of Interest

Community feedback mechanisms are one way for COIs to communicate with our company. Their feedback helps us understand their material issues, which in turn helps us to better manage actual or potential impacts of our activities. We developed our Social Management and Responsibility at Teck (SMART) Feedback Mechanism tool in 2011 and began the process of developing and implementing feedback mechanisms across our operations. Through our feedback mechanisms (see the Social Management section on pages 20–21), COIs can ask questions, express concerns and provide feedback about any area of our activities, and they will receive a timely response. To date, we are actively receiving

feedback, and all of our operations are working towards fully implementing feedback mechanisms by the end of 2013. Currently, seven out of 13 operations have implemented a formal feedback mechanism based on our SMART tool.

In 2012, we received and tracked a total of 1,325 feedback items. Common feedback topics were related to environmental matters, mining activities, and social and community issues.

We classify feedback into the following categories:

- Positive feedback
- Grievances
- Donation requests
- Requests for information
- Suggestions and recommendations
- Feedback unrelated to Teck

Tracking our positive feedback is one way we know when our COIs are satisfied with our initiatives or performance. We received 44 positive feedback items in 2012 on topics such as engaging COIs in discussions on land use, permits and job opportunities. The majority of positive feedback received came from Indigenous Peoples. See Figures 17 and 18 on page 124 for more information. We also classified 44 feedback items as grievances. Although the public provided only 10% of total feedback, half the grievances we received came from this group. From Indigenous Peoples, our largest provider of feedback, 20% of the feedback was classified as significant.

Tracking and classifying feedback ensures that we respond consistently and appropriately to these COI concerns with the aim of resolving the issue to the satisfaction of both parties. For example, one of the grievances received was an allegation of discrimination with regards to the hiring practices at one of our operations. This complaint was investigated and the individual who lodged the complaint was satisfied with the outcome of the investigation.

As we improve our systems for capturing feedback, we anticipate being able to better respond to our COIs, improve the quality of our engagement, target our programs, and generally better manage our impacts.

⁴Artisanal and small-scale mining (ASM) and large-scale mining often operate side-by-side. ASM ranges from informal subsistence mining by individuals to small formal commercial mining operations, and can provide a key source of income in many communities. ASM on or near our sites raises several key concerns: the safety and health of the artisanal miners and our people, the environmental impacts, the miners' human rights, and the security of their livelihoods.

Understanding and Respecting the Rights of Indigenous Peoples

Almost all of our activities take place in areas located within or adjacent to Indigenous Peoples' territories, including 11 of our operations. Consequently, Indigenous Peoples are a key community of interest (COI).

We work to conduct our business in a manner that is respectful of Indigenous Peoples, taking into consideration their rights, interests, concerns and aspirations. In 2012, we took steps to build our internal capacity by delivering cultural and Indigenous rights awareness training to 120 employees across our company.

We acknowledge and respect Indigenous Peoples' rights and interests as enshrined in provincial, national or 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, the application of ILO-169 (Indigenous and Tribal Peoples Convention) in Chile continues to be defined by government and the courts.

Collaboration with Indigenous Peoples

We are working to develop collaborative and long-term relationships with Indigenous Peoples that recognize their unique history and contribute to their goals. We actively pursue the meaningful involvement of Indigenous Peoples at every stage of mineral development, from exploration to closure and end land use planning. Collaborating with Indigenous Peoples results in innovative approaches to working together and other positive outcomes (see the box below and on page 44 for examples).

We also seek to understand how our activities may impact the interests and rights of Indigenous Peoples. At our existing operations, at our resource development projects and, in some cases, at our advanced exploration projects, we support the development of traditional land use studies and other community-based traditional knowledge studies to help us understand the interests of Indigenous Peoples and our potential effects on those interests. We integrate these considerations into our decision-making, engagement and relationship building with communities.



Feral horses near Highland Valley Copper Operations

Collaboration with Indigenous Communities Near Highland Valley Copper Operations

Local Nlaka'pamux Bands have partnered with our Highland Valley Copper (HVC) Operations to implement a Feral Horse Steering Committee, with the goal of developing a management plan to address a growing horse population near HVC. The goal of the management plan is to reduce the population by relocating the horses to Nlaka'pamux communities. This will improve public safety and reduce impacts on range ecosystems. The committee includes members from the Bands, the Province, the Society for the Prevention of Cruelty to Animals, local range operators and horsemanship experts. In 2012, a capture and relocating pilot project was carried out and 19 horses were captured: 13 were relocated to local First Nation communities, and six were returned to the area. The plan for future captures is to donate horses to a First Nations program in Alberta for at-risk youth.

Consultation with Indigenous Peoples

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.

Consultation can play an important role in government 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.

Free, Prior and Informed Consent (FPIC)

We recognize that Indigenous Peoples have unique interests and concerns related to development, and we are committed to respectful and constructive engagement with Indigenous Peoples whose cultural heritage or Indigenous rights may be affected by our activities. We also recognize the growing expectation that resource development companies will demonstrate and secure Indigenous Peoples' support for activities through various forms of agreements. We continue to assess the appropriate formulation of a formal commitment in relation to the free, prior and informed consent of Indigenous Peoples who may be affected by our activities. There are varying interpretations emerging regarding what constitutes consent, under what circumstances the withholding of consent would be

considered reasonable and who decides what is reasonable, as well as differing perspectives on the role of government, all of which create uncertainty around the application of FPIC for our sector.

Through our involvement in the International Council on Mining and Metals, which has just released an FPIC position statement committing its members commencing no later than 2015 to work to obtain the consent of Indigenous Peoples for new projects, we are participating in the development of best practices in this area.

Impact Benefit Agreements

Building constructive relationships with Indigenous Peoples and pursuing understanding and shared commitments through agreements have taken on increasing importance in our activities. In 2012, we established a committee to provide guidance for our agreements with Indigenous Peoples. Of our 13 operations, 11 are located within or adjacent to Indigenous Peoples' territories, and of these 11 operations, eight have formal agreements in place with Indigenous Peoples' communities (Table 7).

Agreement negotiations can be the starting point in the pursuit of mutual interests. We work to reach agreements that formalize relationships, provide capacity assistance, or create and increase business opportunities. At other times, agreements formalize our shared understanding of land stewardship or knowledge-sharing protocols. These agreements help fulfill our commitment to improving community well-being in self-defined ways and to gaining the broad support of the Indigenous communities that we work with. During 2012, we initiated the negotiation of various agreements related to our Quintette project.

Impact Benefit Agreements (IBAs) are comprehensive and generally encompass areas such as improving community well-being, ongoing participation in our projects, and environmental stewardship. In 2011, we initiated formal negotiations for IBAs at Highland Valley Copper Operations and for our five steelmaking coal operations in the Elk Valley of British Columbia. These negotiations continued through 2012. In 2012, Cardinal River Operations and the Alexis Nakota Sioux Nation finalized an IBA. Negotiations to reach an IBA can take considerable time, and the expectations of both parties must be mutually understood and managed. We recognize that agreements are important milestones, but the relationship itself is the true indicator of success.

Consulting with Indigenous Communities Near Our Quintette Project

Through our engagement activities, five Indigenous communities near our Quintette project expressed a desire to carry out their own independent review of regulatory applications. The goals were to provide a fully informed review of the project, to identify potential impacts on Indigenous interests, and to develop possible mitigation and accommodation measures. We provided financial support that enabled the Indigenous communities to work with external consultants to review the applications and then summarize the identified concerns and interests. From there, we worked with the communities in a participatory fashion to develop appropriate responses to those concerns and interests. Over the course of 2013, we will work towards resolving identified concerns through additional work or formal commitments.

Table 7

Number of Operations Located Within, or Adjacent to, Indigenous Peoples' Territories⁽¹⁾

Country	Number of Operations Located Within or Adjacent to Indigenous Peoples' Territories	Number of Operations with Formal Agreements with Some or All Indigenous Communities
Canada	8 of 9	7 of 8
Chile ⁽²⁾	1 of 2	0 of 1
United States	2 of 2	1 of 2
Total	11 of 13 operations	8 of the 11 operations located within or adjacent to Indigenous Peoples' territories

⁽¹⁾ Although the agreement type and name varies, they express commitments by Teck (and, in some cases, by both parties) that are related to our activities. These range from comprehensive IBAs to letters of commitment.

⁽²⁾ Through our work on Quebrada Blanca Phase 2, we have identified several Indigenous communities, groups and associations in the region.



Jeffrey Zmurchyk, Officer Loss Prevention, Health and Safety, at Greenhills Operations

Table 8 provides an overview of the formal agreements that our operations have in place and any significant disputes related to these agreements.

Table 8

Formal Agreements in Place with Indigenous Groups ⁽¹⁾

Operation Within or Adjacent to Indigenous Peoples' Territory	Name of Indigenous Group(s)	Formal Agreements in Place with Indigenous Group(s)	Significant Disputes, if Applicable, Under the Existing Agreements, and Any Steps Taken to Resolve the Disputes
Cardinal River	Alexis Nakota Sioux Nation	Impact Benefit Agreement	None
	Mountain Cree	Working Protocol Agreement in development	None
Coal operations, Elk Valley ⁽²⁾	Ktunaxa Nation	Impact Benefit Agreement in negotiation	None
	Shuswap Indian Band	Memorandum of Understanding in negotiation	None
Highland Valley Copper	Nlaka'pamux First Nation	Impact Benefit Agreements in negotiation	None
	Secwepemc First Nation	None	None
Pend Oreille ⁽³⁾	Kalispel Tribe of Indians	None	None
Red Dog	Iñupiat of Northwest Alaska	Operating agreement that governs the operation and development of the mine between NANA Regional Corporation, Inc., a corporation owned by the Iñupiat people of Northwest Alaska and Teck Alaska (Cominco at the time)	None
Trail ⁽⁴⁾	Trail Operations is located within an area where there are unresolved overlaps of Indigenous Peoples' land claims. The First Nation groups that have been identified as potentially having an interest in projects related to Teck's Trail Operations are: <ul style="list-style-type: none"> • Ktunaxa Nation • Okanagan Nation Alliance (specifically, Okanagan Indian Band, Lower Similkameen Indian Band, Osoyoos Indian Band, Penticton Indian Band) • Shuswap Indian Band 	None	None
Quebrada Blanca and Quebrada Blanca Phase 2 Project ⁽⁵⁾	Several Indigenous communities, groups and associations	None	None
Duck Pond	None	None	None

⁽¹⁾ Disputes related to land use and customary rights of local communities and Indigenous Peoples are considered significant when they are unable to be resolved jointly with the complainant and are repeated or widespread, a breach of law or company policy, an accusation related to human rights, or related to death or serious illness.

⁽²⁾ Coal operations located in the Elk Valley of British Columbia are Coal Mountain, Elkview, Greenhills, Forging River and Line Creek.

⁽³⁾ Pend Oreille is not currently in operation, and is in care and maintenance.

⁽⁴⁾ Trail Operations continued discussions with several Indigenous groups as to the need for formal agreements.

⁽⁵⁾ We have engaged with several communities, groups and associations and are assessing the need for formal agreements.

Respecting Human Rights

The mining industry has the potential to impact human rights, both positively and negatively. The United Nations Guiding Principles (UNGPs) on Business and Human Rights has provided a framework for companies to understand their responsibilities for respecting and managing human rights risks and potential infringements.

In 2012, we formalized our Human Rights Policy, which outlines our responsibilities and entrenches our commitment to human rights. Our policy incorporates the UNGPs as well as international best practices, such as principles set out in the United Nations Global Compact (UNGC).

Also in 2012, we joined the Business for Social Responsibility Human Rights Working Group, a

multi-sector group designed to support companies in implementing the UNGPs. We are also members of the UNGC Human Rights Working Group. Through these associations, we will continue to learn and share best practices, and improve our ability to manage risks and support the fundamental principles of human rights. Table 9 shows our 2012 progress towards implementing the UNGPs.

Table 9

2012 Progress Towards the United Nations Guiding Principles on 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
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 tool completed and piloted at two of our sites
Processes to enable the remediation of any adverse human rights impacts that businesses cause or contribute to	Community feedback mechanism implemented at seven of 13 operations and one resource development project



Frank Ramoth from the Materials Management group at Red Dog Operations

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 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.

Site-Level Human Rights Assessments

A challenge in managing human rights is the broad scope of potential impacts from our activities, which can affect social/cultural/economic rights, core labour rights, and the right to clean drinking water, as well as the rights of vulnerable groups and Indigenous Peoples.

Consequently, we developed a site-level human rights assessment (HRA) tool to help us identify and manage these and other potential risks as well as to leverage opportunities for respecting and enhancing human rights. In 2012, this tool was piloted at two of our sites. Over the next two years, this HRA tool will be implemented at all of our operations to help further integrate the management of human rights issues into the mining life cycle.

In addition, 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 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.

Addressing Human Rights Risks in our Supply Chain

Our revised Environment, Health, Safety and Community Management Standards include a requirement to screen significant suppliers for human rights-related risks and opportunities. 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.

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.



Cleanup underway of legacy tailings, unrelated to Teck operations, at Andacollo

In 2010, local authorities in the town of Andacollo in central Chile near our Carmen de Andacollo (CdA) Operations cautioned that the level of dust particles in the town's air posed a potential human health hazard. The particular concern was that the dust contained particles of heavy metals and mercury from tailings abandoned decades earlier in the town's populated downtown core. The tailings are unrelated to Teck operations.

Studies conducted by the University of Chile on these tailings, unrelated to Teck operations, confirmed that they should be reclaimed to prevent harmful health effects to the community. In a hot and dry climate like central Chile, it is all too easy for the wind to spread dust particles from the abandoned tailings to surrounding neighbourhoods.

Especially because the majority of CdA employees call Andacollo home, we wanted to help with this important community health issue. We began to work with a local non-governmental organization to clean up the tailings. This was a challenging task, given the downtown location with many homes nearby. The workers we hired to conduct the cleanup were members of the Andacollo community.

Our first step was to purchase the land so that we could remove 257,000 tonnes of historical tailings from two sites and transport them to CdA for treatment and disposal into our own tailings facility. During the transportation process, we also made sure to wash local streets experiencing high truck traffic to mitigate any extra dust. We also used nebulizer cannons, which shoot a directed fog that helps prevent dust from billowing. Once on-site at CdA, we continued to be diligent about dust control, taking steps to keep the tailings material humid throughout the treatment and disposal process.

After the removal of the tailings, we began to reclaim the sites — nearly 10,000 square metres — that we anticipate will be used by the community in the years to come. We were proud to work with our employees and the residents of Andacollo to eliminate a potential health hazard and to recover a public space for use by the community.





The Elk Valley of southeastern British Columbia is home to five of our steelmaking coal operations. For decades, we have been a proud community partner in the Crowsnest Pass, Elkford, Fernie and Sparwood area. We value the relationships that we have developed with local governments and businesses, First Nations, recreational groups, seniors, youth and other community groups and families. It is important to us that these individuals and groups are better off as a result of our presence in the community.

In March 2012, we invited representatives from the community to join an advisory panel created to foster dialogue and communications about our operations and their areas of influence within Elk Valley communities. This initiative corresponds with one of our community sustainability goals: to put processes in place to maximize community benefits and collaboration.

“The panel is one way we can work together to tackle issues and challenges in the community,” said Sharon Strom, Coordinator, Sustainability. “It is also a vehicle for us to share information about our operations and activities with the community. We are particularly interested in sharing and gaining feedback on our sustainability initiatives.”

With a chair, vice chair and student chair, the panel meets twice a year. A steering committee elected by the wider panel and limited to 13 members — with at least one person for each area of interest and one person from each of the neighbouring communities — meets once a quarter.

We invited an independent third party to help us establish terms of reference and a structure for the panel, which includes task forces to assist in the strategic direction on a short-term basis and standing committees on a longer-term basis.

To date, we have engaged the panel in discussions about our sustainability goals and the Mining Association of Canada’s Towards Sustainable Mining initiative.

“Teck’s Elk Valley communities of interest advisory initiative has presented an extraordinary opportunity to join in the conversation with a diverse and multidisciplinary group of residents who are impacted by and benefit from the coal mining industry,” said Lois Halko, Mayor of Sparwood and panel Chair.

Lee-Anne Walker, a panel member and Executive Director of the community-based watershed group Elk River Alliance, added, “As a community member, I appreciate the open conversation — an opportunity to get the facts directly from Teck. I feel that the company is truly listening.”

Our People



Vision: We attract, retain 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.

Increased investment in extractive industries over the last decade has increased demand and competition for skilled workers. Projected hiring requirements in the Canadian mining industry alone amount to approximately 100,000 new people needed by the end of 2020. At the same time, the available labour pool is decreasing due to the aging population, particularly in North America. This is making competition for labour more intense and is forcing companies to look at non-traditional sources of labour. Risks associated with this shortage include operational delays, impacts on production and increased costs.

What does it mean for Teck?

As a mining company, we require skilled workers to maintain and expand our operations. Over one-third of our current North American workforce is over the age of 50. We estimate that over 150 of our current front-line leaders will retire in the next five years. At the same time, our business is growing, so we need to attract significant new talent to replace our retiring employees and to fill new positions for projects under development. This means expanding the scope of our search practices to include non-traditional workers and workers from other regions. We also need to make sure that we have efficient knowledge transfer practices to ensure that skills are taught to new employees. Since these trends are unlikely to change anytime soon, attracting, developing and retaining our people is critical to our success.

How is this focus area connected with the others?

Our people are essential to our success; it is through our people that we will implement our sustainability strategy in each of our focus areas.

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

Our people are at the centre of everything we do. It is their decisions and actions that affect all of our COIs. Therefore, ensuring that we are able to attract, retain and develop the best talent is key to meeting our COIs' expectations. These expectations range from employment opportunities to the safety of our workplace to generating shareholder value.

What is our approach?

Our sustainability strategy outlines our overall approach to our people. This approach begins with ensuring a safe work environment. Safety is a core value at Teck. Our safety strategy balances a values-based approach focused on each individual's role in creating a safe workplace, with effective technical programs, policies and procedures that support the overall safety system.

We focus on being a global, 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. We are also implementing knowledge transfer practices that ensure that the skills and knowledge of our retirees are passed on to new employees.

What progress have we made against our goals?

In 2012, we focused on improving our ability to attract and develop the best talent in our industry. This included continuing to expand our programs in leadership development, promoting workforce diversity and succession planning. In safety, we achieved our best safety year on record, with no fatalities and the lowest injury frequency on record. Key actions towards our goals in 2012:

- Launched the next phase of our Courageous Safety Leadership program, which is designed to continue to embed a culture of safety at Teck
- Expanded participation in our company-wide leadership development programs — more than 500 employees have participated to date
- Increased the percentage of women in operational and technical roles from 4.5% in 2011 to 5.6% in 2012

See our Detailed Goals Dashboard on pages 134–135 for more highlights of achievements we made in this focus area.

Material Topics

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• Attracting, Retaining and Developing Talent	60
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Operating with Excellence in Safety

Operating with excellence in safety means having effective technical programs in place to support the overall safety management system. These technical programs include implementing safety standards and auditing, reporting on leading and lagging indicators, learning from high-potential incidents, training and risk management.

We implement new technologies to support employee safety. In 2012, this included the installation of a range of technologies at a number of sites, including fatigue monitoring systems, collision avoidance systems on shovels and driver monitoring systems on light vehicles. See the case study on page 67 for an example of how

we put guidance and standard procedures in place as part of our overall approach to safety. In 2012, through the collective efforts of thousands of employees and contractors, we achieved our best safety year on record with the fewest number of serious incidents and no fatalities (Table 10).

Table 10

Safety Performance⁽¹⁾⁽²⁾

	2012	2011	2010
Total Recordable Injury Frequency (TRIF)	1.32	1.45	1.76
Lost-Time Injury Frequency	0.46	0.51	0.56
Severity	17	24	76
Number of Fatalities	0	0	1

⁽¹⁾ Our safety statistics include both employees and contractors at all of our locations (operations, projects, exploration sites and offices), including the Antamina mine in which we have a 22.5% interest. Safety statistics are weighted according to Teck's ownership of each operation. We define incidents according to the requirements of the U.S. Department of Labor, 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.

⁽²⁾ See our Glossary on pages 141–143 for definitions of these safety indicators.

Learning from High-Potential Incidents

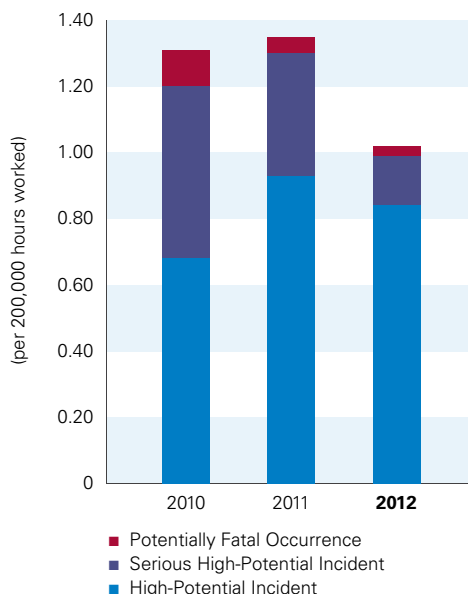
While we made significant progress in our safety performance in 2012, we also recognize the importance of learning from any injury or incident. Therefore, we make significant efforts to share best practices as well as lessons learned from past incidents and potential incidents. This helps us to foster a culture of continual learning and improvement in safety performance.

We track all safety incidents. For those that we determine to be significant, we classify them as high-potential incidents (HPIs), serious HPIs or potentially fatal occurrences (PFOs). Analyzing and learning from these incidents allows us to target high-risk areas and to take steps to ensure that incidents are prevented whenever possible.

For example, for every PFO, we implement a protocol that includes a root cause analysis, gap analysis and reporting to senior management. Over the past three years, we have seen an overall decrease in HPI frequency (Figure 7). We believe that this improvement is driven by our focus on HPIs and PFOs, learning from past incidents and sharing both those lessons learned and associated best practices across our company.

Figure 7

High-Potential Incident Frequency⁽¹⁾



⁽¹⁾ Frequencies are based on 200,000 hours worked.



Courageous Safety Leadership at Teck

Courageous Safety Leadership (CSL) is a safety philosophy that defines our values, beliefs and attitudes towards safety and outlines the commitment we must make to instill a true culture of safety at Teck. CSL empowers every employee to be a safety leader and to play an active role in their own safety and the safety of those around them. We believe that empowering our employees to become courageous safety leaders will help us to build a true culture of safety at Teck. Since the company-wide rollout in 2009, more than 15,000 employees and contractors have participated in CSL training. In 2012, we developed and rolled out CSL: Phase III, which reinforces CSL concepts. While we have made progress, we still face challenges that must be overcome, including complacency, not speaking up to address safety issues, and the normalization of deviance, which occurs when unsafe practices become routine. It is for this reason that we continue to stay focused on CSL and on creating a values-based company.

Building a Culture of Safety

In order to achieve our goal of zero injuries, we recognize that we need technical programs to provide employees with the tools that they need to be safer, as well as a culture of safety that builds a common foundation of values, beliefs and attitudes related to safety. A culture of safety is the foundation of a values-based organization that fosters commitment to and leadership in safety in every employee.

The programs that we have developed to foster a culture of safety at Teck include Visible, Felt Leadership and Courageous Safety Leadership (CSL). Visible, Felt Leadership is designed to demonstrate strong management commitment to safety by actively engaging management and employees in the field in safety discussions to reinforce safety principles. At the same

time, CSL helps to empower every employee to be a leader in safety (see the box on page 55). Since we rolled out CSL in 2009, we have seen improvement in our safety performance, with 2012 being our best safety year on record.

Several of our operations received awards in 2012 for their safety performance:

Table 11

Safety and Health Awards

Operation	Awarding Entity	Award
Carmen de Andacollo	SEREMI de Salud (Regional Secretary of the Ministry of Health) and SEREMI de Trabajo (Regional Secretary of the Ministry of Work)	Recognition of Carmen de Andacollo Operations as a "Company that Promotes Health"
	College of Professionals in Mining Safety	Recognition of the General Manager at Carmen de Andacollo Operations for his leadership and commitment toward preventative management
	SERNAGEOMIN – National Service for Geology and Mining	Recognition Award for implementation of field safety monitors
Highland Valley Copper	British Columbia Ministry of Energy, Mines and Natural Gas	Overall Non-Aggregate winner of the Provincial Surface Mine Rescue Competition
	British Columbia Ministry of Energy, Mines and Natural Gas	Overall Surface Mine Rescue winner at the Zone Mine Rescue Competition
Line Creek	British Columbia Ministry of Energy, Mines and Natural Gas	John Ash Award for the mine with at least 1 million hours worked and the lowest lost-time frequency
Pend Oreille	National Mining Association	Sentinels of Safety Award for the safest large underground metal mine with at least 4,000 injury-free hours
Trail	Benefits Canada Workplace Health Benefit Award	Award to honour organizations and individuals who have demonstrated leadership and innovation when it comes to keeping employees healthy

Preventing Occupational Illness

The occupational health systems and procedures at our operations comply with regulatory requirements and our Code of Sustainable Conduct. They are designed to limit worker exposure to harmful substances and other sources of occupationally related illness or disease.

Our operations have education, training, counselling, prevention and risk-control programs, as well as committees for managing and minimizing potential

occupational exposures and diseases. Depending on the location and exposures, these may include:

- Dust monitoring
- Noise testing
- Audiometric testing
- Silica sampling
- Biological monitoring programs for potential exposures to lead, arsenic, cadmium, thallium, mercury and fluorine

Your Concerns, Our Response: Drug and Alcohol Testing

What is the issue?

In 2012, we began implementing random drug and alcohol testing at our some of our mine sites to help prevent potentially serious drug- and alcohol-related safety incidents from happening on-site.

Why implement random drug and alcohol testing?

We take our obligation to provide the safest possible workplace very seriously and believe that random testing has a significant deterrent effect — which cannot be achieved by post-incident testing — that will help prevent potentially serious drug- and alcohol-related incidents from happening on-site. Research has shown that, even when used during non-work hours, the lingering effects of drug and alcohol use on the body can affect at-work performance and impede 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

What has been the response to the testing?

Since we began implementing random testing, the union at our Cardinal River Operations near Hinton, Alberta and the unions representing four of our five steelmaking coal operations in the Elk Valley of southeastern British Columbia have mounted legal challenges to the policy. We are committed to keeping an open and honest dialogue with union representatives. We respect the privacy of our employees and feel that our approach strikes a fair balance between privacy rights and the rights of workers to have a safe workplace.

Planning for Our Current and Future Workforce

At the end of 2012, there were approximately 10,800 employees^{5,6} working at Teck-operated mining and metallurgical operations and offices, a 4% increase from 2011. Tables 12–14 and Figures 8–10 present an overview of our global workforce, with data on our workforce broken down by operation, demographics, geographic location and employment type.

Understanding our workforce demographics allows us to have the systems in place to identify our current and future skilled labour requirements, and to better target employee development initiatives. In 2012, we launched

a Global Workforce Analytics database that enables us to better track, analyze and report on demographic workforce data. This information will allow us to gain better insights into our workforce and inform decision-making.

Table 12

Global Workforce by Site (as at year-end)

Business Unit	Site	2012	2011	2010
Coal	Cardinal River Operations	469	448	399
	Coal Mountain Operations	330	321	259
	Elkview Operations	1,078	967	867
	Fording River Operations	1,196	1,172	1,111
	Greenhills Operations	614	594	527
	Line Creek Operations	506	467	406
Copper	Carmen de Andacollo Operations	821	821	681
	Duck Pond Operations	279	266	255
	Highland Valley Copper Operations	1,309	1,243	1,203
	Quebrada Blanca Operations	772	932	806
Corporate and Other ⁽¹⁾	Global Locations	918	732	594
Energy	Energy Business Unit	26	17	11
Exploration	Global Locations	253	225	146
Technology	Applied Research and Technology Centre	13	15	42
	CESL	50	51	49
	Product Technology Centre	73	73	73
Zinc	Pend Oreille Operations	79	62	50
	Red Dog Operations	436	446	426
	Trail Operations	1,586	1,565	1,526
Total		10,808	10,417	9,431

⁽¹⁾This includes employees at all of our global corporate offices and those working on projects.

⁵This employee count includes all union, non-union, full-time and part-time employees, as well as fixed term employees and students. In other Teck publications, the total number of employees reported is higher because the employee count provided here does not include contractors, casual or inactive employees, or the workforce at the Antamina mine.

⁶Historical 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 8

Global Workforce by Age and Gender
(percentage as at year-end 2012)

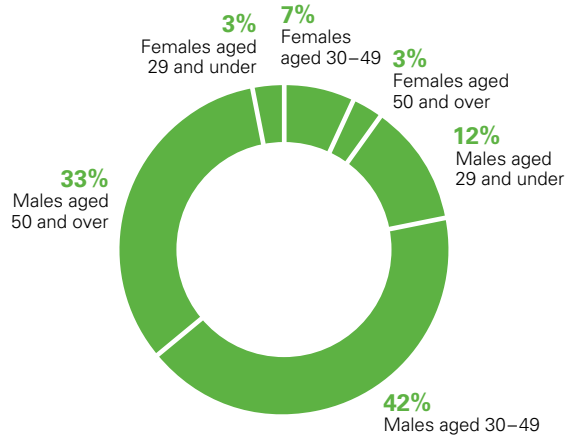


Table 13

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

	2012	2011	2010
Canada	8,287	7,852	7,273
Chile	1,828	1,884	1,561
United States	560	555	522
Other	133	126	75
Total	10,808	10,417	9,431

Figure 9

Global Workforce by Geographic Location
(percentage as at year-end 2012)

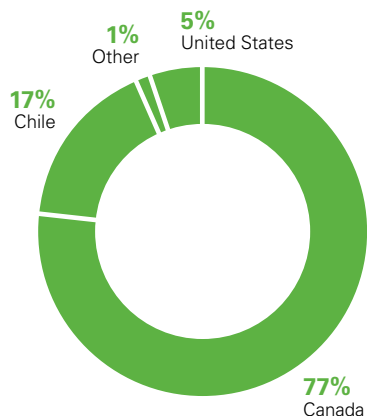


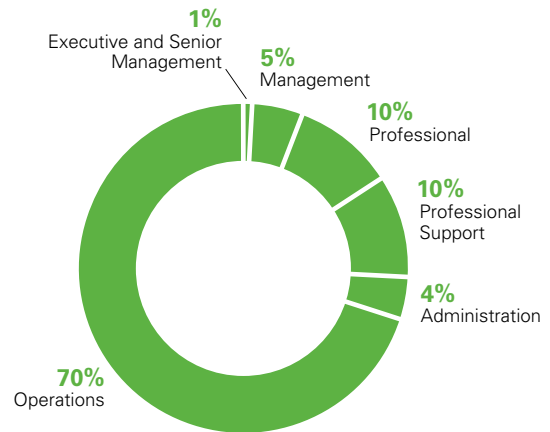
Table 14

Global Workforce by Employment Type
(as at year-end)

	2012	2011	2010
Executive	72	67	64
Senior Management	45	43	36
Management	565	610	486
Professional	1,087	902	805
Professional Support	1,086	928	721
Administration	437	407	312
Operations	7,516	7,460	7,007
Total	10,808	10,417	9,431

Figure 10

Global Workforce by Employment Type
(percentage as at year-end 2012)



Attracting, Retaining and Developing Talent

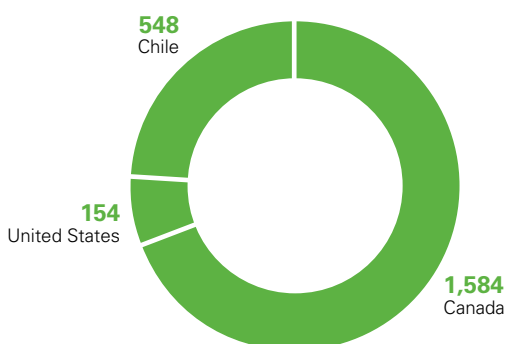
Ensuring that we are able to attract, retain and develop the most qualified people is critical to our success.

Attracting Talent

In 2012, we hired over 2,200 new employees (Figure 11).

Figure 11

Number of New Hires in 2012



Workforce Diversity

We are committed to increasing the diversity of our workforce. Our goal is to go beyond our traditional recruiting profile to find and attract a more diverse workforce, including women and Indigenous Peoples (see pages 40–41 for information on Indigenous hiring).

A key focus of our efforts in this regard is increasing the number of women in our workforce. At the end of 2012, approximately 13% of our workforce was female. Since 2010, our internal Building Strength through Diversity Committee has been focused on identifying barriers to attracting and retaining women to site operations, particularly in non-administrative and technical roles, including tradespeople, equipment operators, geoscientists and engineers. With approximately 70% of our employees working in operations, we are focused on changing the perception that working in mining operations is not a viable career for women. In addition, we are working to prepare our sites for growth in the number of female employees, both in terms of maintaining a respectful culture for women and ensuring that our facilities are able to accommodate the growth.

During 2012, we undertook several initiatives that work towards increasing female participation in our workforce, including:

- Holding Respectful Workplace presentations at the majority of our sites, including formal training at Trail Operations and Greenhills Operations
- Reviewing hiring practices to ensure that we are gender-inclusive
- Equipping our sites with additional female washroom and locker facilities as required
- Improving the availability of female-sized personal protective equipment at sites

The number of women in operations and technical roles has increased from 439 in 2010 (4.52% of total population) to 619 in 2012 (5.55% of total population), which equates to a 41% increase in just over two years.⁷ Table 23 on page 124 provides more details on female employment in our workforce.

We work to develop female leaders in our executive and senior management (Table 15).

Table 15

Percentage of Women in the Workforce by Position Type

	2012 (%)	2011 (%)	2010 (%)
Executive	3	3	3
Senior Management	4	9	14
Management	13	11	12
Professional	23	21	18
Professional Support	21	20	19
Administration	61	63	71

⁷ Employees included in operational and technical roles include: equipment operators, tradespersons, geologists, engineers, etc. This data only includes full-time, active, regular employees.



Teck

Promoting Gender Diversity

In 2010, our Carmen de Andacollo (CdA) Operations began to work collaboratively with the community of Andacollo in Chile to encourage the participation of more women in the workplace. At the time, less than 50% of women of working age in the country were employed.

To enhance female recruitment strategies, CdA engaged organizations such as PROdeMU, a non-profit law foundation that works with Chilean women to help them attain the skills necessary to pursue their personal and professional goals. CdA has also been promoting employee development and offering female workers access to education, preparation and training, which has contributed to female employees proceeding into full-time and supervisory positions.

In Chile, we are currently one of the leading companies for hiring women — who make up 17% of CdA's employees and contractors.

Employee Remuneration

At times, we face significant skills shortages for both hourly and salaried positions, including trades and engineering positions across all jurisdictions where we operate. We therefore offer competitive compensation and benefits in order to attract and retain the calibre of employees to meet our business requirements.

Across Teck, most salaried job positions fall within 14 salary bands. Positions have been placed in bands based on the complexity of the job, the overall accountability assigned to the position, and internal equity with jobs of similar scope. It is our policy that salaries reflect market conditions, individual performance and the contribution that each employee makes toward the company's objectives. Once in a banded role, all employees, regardless of gender, are compensated within that band's compensation range. Pay progression is based on increased competence in a role, as demonstrated through performance. An employee's compensation ratio (salary/midpoint) reflects individual competence, performance and contributions in the position. A compensation ratio of 100% represents fully competent performance. Employees' salaries generally fall within the range of 90% to 110% of the midpoint. Salary midpoints are reviewed annually against the market, and may be adjusted based on market data, with each band having a designated salary range of 80% to 120% of the midpoint. These ranges are competitive with those in our industry and the communities in which we operate.

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

We provide defined benefit pension plans to certain permanent union and non-union employees in Canada and to some employees in the United States (U.S.), as well as defined contribution pension plans in Canada and 401k plans in the U.S. In addition, we participate in defined benefit and defined contribution plans through our joint ventures and partnerships. At the end of 2012, there were approximately 10,450 members in defined benefit plans, of whom 4,168 were active members (3,756 active union members and 412 non-union). Approximately 6,280 retirees receive pension benefits from the defined benefit pension plans.

Employees do not generally contribute to our defined benefit plans. The company's annual contributions to the various plans are made in accordance with pension legislation applicable to the jurisdiction in which the plan is registered. However, voluntary contributions may also

be made from time to time at the discretion of the company. Defined benefit pensions are paid through trust funds that are held and maintained separately from our company.

More information on our pension plans is available in our 2012 Annual Report in Notes 3 and 19 to the Consolidated Financial Statements.

Retaining Talent

Retaining skilled and qualified employees who are committed to our company is essential to our success. In order to drive employee retention, we recognize the accomplishments of our people, promote their health and well-being, and track our turnover rates to measure our progress in this area.

Recognizing Our People

In 2012, we continued our Excellence Awards program, which is designed to acknowledge the outstanding achievements, leadership and innovation of our employees. Employees are recognized in the following award categories: Safety in the Workplace, Productivity and Innovation, Environment and Sustainability, Unsung Hero, and Mentor. A record 460 employees were nominated by their peers and co-workers in 2012 for their outstanding achievements.

In 2012, we developed a company-wide Service Recognition program that recognizes service milestones achieved by employees in five-year intervals. Employees receive a gift and are acknowledged for their contribution in recognition events throughout the company. In 2012, we recognized 1,789 milestones, 798 of which were for service of 20 years or more.

We also support the development of employees' families by offering a scholarship program to eligible dependents pursuing post-secondary education and a fund for athletes who are training to develop their abilities in the hopes of Olympic achievement.

Promoting Health and Wellness

Focusing on the health and well-being of our employees was an objective for 2012. During the year, we gathered key data such as employee demographics, health benefits, life and disability insurances, employee assistance programs, absenteeism and turnover. We are using this data to develop health and wellness programs for our employees that range from health screenings to mental health support programs.

Health and Wellness at Red Dog Operations

Since 2011, Red Dog Operations has had a full-time Wellness Coordinator who develops individual health plans with employees and provides coaching, coordinates wellness-related activities and offers education and support. In 2012, 25% of Red Dog employees participated in a health assessment. Improvements in biometric data, such as weight, body fat, cholesterol and blood pressure, have been measured in employees who have completed health assessments. Based on this initial success, we are pursuing similar approaches for wellness across our operations.

Employee Turnover

Employee retention continues to be a challenge across our industry, as many companies and industries are vying for people from the same talent pool.

We also have an aging workforce in North America, where over one-third of our employees are over the age of 50. As a result, we are engaging these employees in knowledge transfer programs designed to retain their skills and experience while accelerating the development of younger employees through regional and international development rotations, coaching and mentoring. Retention strategies for our Chilean employees include our company-wide programs in areas such as leadership development and performance management, as well as development rotations to Canadian operations and a focus on building capacity through training and skills development.

We monitor turnover in order to anticipate our human resource needs and improve our retention strategies. The total company-wide turnover includes involuntary, voluntary (resignations) and retirements. Tables 24-27 on pages 125-126 outline voluntary and total turnover numbers and rates by gender and age group across the regions in which we operate.

We specifically monitor voluntary turnover to track the loss of employees that we may have been able to retain. Our voluntary turnover rate has been tracking at 6%, up from 4% in 2011. Males aged 40-49 exhibit the highest rate of voluntary turnover across our company. This is in part due 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 the market conditions. Exit interviews with mid-career professionals indicate that the number one reason for their resignation is related to a lack of career development opportunities within the company or better 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.

At our Quebrada Blanca Operations, we engaged in a cost-reduction program in 2012 to ensure the long-term sustainability of the operation. This resulted in 159 employees being laid off. We recognize that this is challenging for the individuals involved and we 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.

Developing Talent

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

Our performance management program, Building Strength with People, helps us promote meaningful conversations between employees and their supervisors around performance, development and career, in order to ensure both individual and business success. The Building Strength with People program is used by salaried employees, who represent approximately 44% of our workforce⁸. The program helps ensure that employees' objectives and contributions align with organizational priorities. As part of the program, employees and their supervisors have annual discussions in which they set performance objectives that drive business results, and create development objectives that enable employees to grow and explore career aspirations. In 2012, 75% of our salaried employees utilized Building Strength with People.

In 2012, we continued to improve the effectiveness of Building Strength with People. One of our efforts in this regard was to train employees and supervisors on how to engage in more meaningful conversations about performance, development and career.

⁸While we have some site-specific performance management programs, we currently do not have a company-wide performance management program for non-salaried employees.

Our training and development programs focus on developing new leaders, expanding the skills of managers and providing professional development opportunities. Our Leading for the Future program focuses on embedding essential leadership skills in our supervisors. In addition, our Leading for Excellence program is designed for managers and equips them with the skills necessary to maximize the potential of their teams, and in turn, our operations. To date, more than 500 employees have participated in these training programs.

In addition to our company-wide leadership programs, we also have site-specific programs that prepare eventual supervisors for leadership roles. For example, Trail Operations has developed two leadership development programs to address its unique challenges as a smelter operation and its requirement to hire over 500 new employees over the next five years. Trail Operations' Front-Line Leader Apprenticeship Program consists of management training accompanied by field experience and mentoring. Trail Operations' Trading Up program consists of providing supervisors with training and support by reinforcing a coaching approach to managing their crews and peers, and working with their supervisors.

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 2012, we implemented a succession management program that tracks succession planning across all of our

North American locations. It is designed to ensure that we are developing leaders throughout the company in order to meet current and future business demands. The process includes identification of successors for leaders and critical roles, the creation of targeted development plans and a review by senior leaders to ensure that development is executed. In 2013, we will implement this process across the company. In addition, we have also implemented a phased retirement program that helps employees transition to the end of their careers.

Global Mobility

We know that learning is often best achieved through challenging assignments, on-the-job application, and learning from others. We provide opportunities for employees to participate in both domestic and international rotations as part of investing in their leadership and skills development. This also contributes to our growth and sustainability as an international operator, given the cross-functional knowledge-sharing benefits of such assignments.

In 2012, we focused on building a globally consistent approach to mobility at Teck. Currently there are over 30 employees on international assignments around the world. We are developing an International Assignment Policy and, to this end, we benchmarked our current assignment practices in 2012, finding that they are generally in line with our peers. Our International Assignment Policy will increase consistency of delivery for both international and domestic mobility processes to create better alignment with our overall strategy of attracting, developing and retaining our people.

Global Mobility — Creating Opportunities for Employees to Work Internationally

Creating opportunities for our employees to work internationally is just one way we attract, retain and develop the best people to ensure the sustainability of our business. Currently, we have 30 employees on expat assignments globally; 13 of those are engineers-in-training on a 12-month development rotation that is designed to provide them with experience at another operation.

"Depending on an employee's appetite to move and the availability at a particular site, we try to move our early career professional staff around the business, either regionally or internationally," said Barry Billings, Manager, Talent Development for Teck. "There's a tremendous benefit to our employees experiencing a move early on in their careers, not only for their growth and learning, but also because this makes movement easier later in their careers. This culture of global mobility is an essential element in successfully developing, engaging and retaining critical employees throughout the business."

Kate Lafferty, Process Engineer at CESL, spent one year at our Red Dog Operations working on a variety of engineering projects. "It was interesting to see a part of the world — the Arctic — that I probably would not have seen otherwise," she said. Paul Michaud, a Mining Engineer from Fording River is in the process of completing a one-year assignment at Quebrada Blanca Operations in Chile. "Learning to work in a different work culture, with a new language and new planning process, has been challenging but rewarding," said Michaud.

Building Positive and Productive Labour and Management Relations

Building positive employee relations is a key objective for all of our operations and locations. Approximately 59% of our workforce is unionized, while the balance is covered by individual employment agreements (Table 16). We fully recognize the rights of employees to freely associate and join trade unions and have embedded this principle in our Environment, Health, Safety and Community Management Standards.

As mining has traditionally been a heavily unionized industry, we work to develop good relationships with the local and national union leadership. For example, at Elkview Operations the management and the union have been working together to deliver joint training focused on relationship building, roles and the collective agreement to supervisors and union shop stewards.

There were no strikes or lockouts in 2012. We concluded five successful labour negotiations during the year:

- Quebrada Blanca Operations settled a four-year Collective Agreement with its two unions
- Trail Operations settled a five-year Collective Agreement with its two unions
- Cardinal River Operations settled a five-year Collective Agreement with its union

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. In Quebrada Blanca Operations, which had a workforce reduction as part of cost containment measures in 2012, we met the stipulated minimum notice periods.

Quebrada Blanca Operations' unions successfully sued us in 2012 for anti-union practices. We have taken corrective action to ensure that this does not happen again.

Table 16

Number and Percentage of Employees Covered by Collective Bargaining Agreements

Operation	2012		2011		2010	
	Number	Percentage	Number	Percentage	Number	Percentage
Cardinal River	380	81	355	79	322	81
Carmen de Andacollo	504	61	508	62	462	68
Coal Mountain	235	71	228	71	184	71
Elkview	874	81	782	81	693	80
Fording River	985	82	990	84	928	84
Highland Valley Copper	1,042	80	995	80	985	82
Line Creek	381	75	375	80	322	79
Quebrada Blanca	599	78	662	71	624	77
Trail	1,317	83	1,310	84	1,322	87
Total	6,334	59	6,264	60	5,901	63





At Teck, a key focus of our safety program is to identify the root cause of serious incidents in order to ensure that they do not reoccur. We began tracking the most serious potential incidents — called high-potential incidents (HPIs) — in 2008 to monitor our safety performance. In 2012, we began standardizing our process for identifying the root causes of HPIs.

As part of this process, each site completes a gap analysis against the identified root causes of the HPI to ensure that similar circumstances at their site do not exist. In some instances, we can then identify new technologies or educational opportunities that will allow us to take corrective action to help prevent incidents from reoccurring.

In 2012, we developed guidance requirements to reduce our employees' exposure to two higher-risk areas: explosives use and confined space work. Incidents in these areas can potentially lead to HPIs. Establishing company-wide protocols was identified as a way to improve safety.


"Our guidance for explosives use outlines practices that must be followed across the company to reduce potential misfires and exposure to misfires that can occur during the blasting process," said Mark Thompson, Director, Health and Safety. "We have a similar protocol that outlines practices that must be followed to control risks associated with work in confined spaces. This protocol was developed by a team that included employees from each of our four business units, following systemic audit program findings."

HPIs generally fall into two categories: those related to unsafe acts and those related to exposure to a risk or hazard. To reduce the number of incidents associated with unsafe acts, we focus on increasing awareness through training, safety briefings, procedures, signs and/or personal protective equipment. To reduce the number of exposure-related incidents, we follow the hierarchy of controls, a system used by industry to minimize or eliminate exposure to hazards. In order of effectiveness, the Hierarchy of Hazard Controls is:

- Elimination (remove the hazard)
- Substitution (remove something that creates a hazard and replace it with something that does not)
- Engineering (take action to keep people away from hazards)
- Administration (procedural changes to the way people work)
- Personal protective equipment (e.g., gloves, hard hats, glasses)

Learning from our high-potential incidents and developing standardized guidance requirements for identified areas of risk are two ways that we are improving our safety performance to ensure everyone at Teck goes home safe and healthy every day.

Water

 **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 a valuable resource, one that is subject to growing stresses related to scarcity and quality. Less than 3% of the world's water is fresh and, of this, 83% is in glaciers. Furthermore, water is often not available in sufficient quantities where it is needed. In addition, demand for fresh water is increasing. The world's population is growing, and as people become more affluent and urbanized, they tend to consume more water as well as foods that require water-intensive agricultural production. Ensuring that water is fairly allocated is a critical issue, particularly in regions of water scarcity. People and governments are also increasingly engaged in the development of water policies.

What does it mean for Teck?

Mining relies heavily on water: we use large volumes of water to process and transport minerals. Our activities also affect water use: we return it to the environment in different ways, and our operations could impact other water users in our areas of influence. Therefore, in order to maintain access to water, it is essential that we use water efficiently, maintain water quality and participate in the fair allocation of water resources.

Given the global trends in water scarcity and quality, we need to address key issues, which include increased competition for water, restricted water use, stringent limits on discharge water quality and quantity, increased monitoring and reporting requirements, and development of more innovative solutions for water treatment and conservation.

How is this focus area connected with the others?

Water is closely linked to our other focus areas. For example, some of our projects are located at high altitude in arid regions where access to water could involve high energy consumption for desalination or delivery. Water use and supply is also integral to the health of communities.

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

Our COIs are also water users, and they recognize the importance of this finite resource. Their interests are typically focused on water quality and on availability for people, communities and the environment.

What is our approach?

Our sustainability strategy outlines our approach to water. It is focused on maintaining water quality, using

water efficiently and promoting the fair allocation of water. As a result, we are moving from compliance-based water management to collaborative water management practices that focus on sustaining and restoring water resources. When planning new resource development projects, we evaluate viable water supplies and watershed needs, and assess cumulative impacts on both surface water and groundwater sources. New resource development projects are also designed to use water as efficiently as possible, which includes maximizing water reuse and using alternative sources such as desalinated water.

Our efforts are guided by our Water Management Standard, which provides guidance on:

- Ensuring that diverse watershed interests are considered
- Implementing operation-specific water management plans and systems
- Supporting research and development in water innovation

What progress are we making against our goals?

In 2012, we made significant progress on our water strategy. Our efforts were focused on developing implementation plans for our water goals. Key actions towards our goals in 2012:

- Updated our Water Management Standard to define requirements for our operations and projects
- Completed water risk and opportunity workshops at eight of our operations
- Commenced construction of our first full-scale water treatment plant at our Line Creek Operations
- Invested \$12.5 million in the Vancouver Aquarium to support expanding their facility and enhancing research, conservation and education programs with a focus on water in areas near our operations

See our Detailed Goals Dashboard on page 136 for more highlights of achievements we made in this focus area.

Material Topics

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| • Minimizing Water Use Intensity | 74 |
| • Promoting the Fair Use of Water | 75 |

Protecting Water Quality

Protecting water quality is important to us. We monitor discharge water quality and water quality in the receiving environment for compliance with applicable standards, regulations and permits. Our efforts focus on the goal of keeping clean water clean — a water quality management strategy that avoids affecting the water where possible.

An example of keeping clean water clean would be construction of a diversion to re-route water around an operation so that it does not contact unwanted substances. One of our key water quality challenges relates to selenium. The mining of steelmaking coal has been found to increase the levels of selenium in surface waters. Selenium is an essential element that is required for the health of humans and other animals. However, when it is present in elevated concentrations — which can occur when water comes into contact with waste

rock — there is potential for ecosystems to be affected. We have identified an increase in selenium concentrations in the Elk Valley watershed in southeastern British Columbia, near five of our steelmaking coal operations. The following *Your Concerns, Our Response* and pullout box sections outline our approach to managing key water issues, including selenium management in the Elk Valley of British Columbia, the litigation related to the Upper Columbia River near Trail Operations, and the groundwater remediation plan at Trail Operations.

The Vancouver Aquarium and the Nature Conservancy of Canada: Two of our Sustainability Partnerships at Work

In 2012, we continued to form partnerships with communities, Indigenous Peoples, organizations and institutions around the world to facilitate our efforts related to water stewardship, environmental management and health care. One such example is our partnership with the Vancouver Aquarium and our investment in 2012 of \$12.5 million to support expansion of their facility and research, conservation and education programs related to water and aquatic life. This partnership — a component of our company-wide water strategy — will facilitate the exchange of information and best practices between the experts and research programs of our two organizations. We will also be collaborating on research of mutual interest and supporting community initiatives related to water conservation near our operations. One of these opportunities is to establish a research network with the Aquarium, our respective partner institutions and Teck.

In May, we invested \$2 million as part of a partnership with the Nature Conservancy of Canada (NCC). Along with contributions from other partners, this led to the conservation of Lot 48 on Columbia Lake in southeast B.C. Lot 48 is a 127-hectare parcel of land of cultural significance to the Ktunaxa First Nation that also represents key habitat for bighorn sheep, elk and a number of rare and endangered species. The land is situated in the headwaters of the Columbia River, near the Columbia Wetlands, which form part of the longest uninterrupted wetland in North America. One of the species living in these wetlands is the northern leopard frog. The Vancouver Aquarium is currently working to reproduce these frogs at its facility and conserving Lot 48 will protect the crucial headwaters of this potential future frog release site. This is just one example of how we are leveraging synergies from two important partnerships — with the Vancouver Aquarium and the NCC — to advance our sustainability efforts related to water at or near our operations.

Trail Groundwater Remediation Plan

From 2000 through 2008, we conducted an ecological risk assessment in the Trail area to identify past or ongoing impacts on the environment due to historical smelter emissions. As part of this assessment, we identified an area of groundwater that contained materials, such as ammonia, associated with the site's historical activities. Since then, we have undertaken a series of studies to identify the scope and impact of the affected groundwater. Following an Inspector's Direction from Environment Canada, our Trail Operations submitted a final remediation plan to enable us to remove and treat the groundwater. The plan has been accepted by Environment Canada. To find background information and a summary of the remediation plan, please go to our website.

Your Concerns, Our Response: Selenium Management in the Elk Valley

What is the issue?

Selenium is a naturally occurring element that is essential for all living things, but can be harmful to living organisms when present in elevated concentrations. By its very nature, the mining process disturbs large quantities of minerals and waste rock that undergo oxidation when exposed to water and air. This process naturally releases selenium from the rock, which can leach into surrounding soils, surface water and groundwater. Some of this selenium can be carried by rain or melting snow into the watershed. Increased concentrations of selenium have been observed downstream of coal mining operations in many parts of the world. This has also been observed in the Elk Valley of British Columbia, where Teck operates five steelmaking coal mines.

What is the process for addressing water quality in the Elk Valley?

In April 2013, the government of British Columbia issued an Area Based Management Plan Order (Order), which calls for the development of an Elk Valley Water Quality Plan (Plan) to address the impact of selenium and other substances released by mining activities throughout the watershed, to evaluate the associated economic and social costs and benefits, and to establish concentration targets and time frames required to stabilize and reduce levels of these substances. Under the Order we will be working with governments, First Nations and communities to develop a Plan that will maintain the health of the watershed.

Development of the Plan will include extensive public consultation and guidance from a multi-party technical advisory committee. The Plan will establish short-, medium- and long-term targets for levels of selenium, cadmium, nitrate and sulphate in water and for rates of calcite formation.

The strategy and water treatment technologies already developed by Teck as part of our selenium management plan will aid in the creation of the Elk Valley Water Quality Plan. Development of the area-based plan and the associated public consultation is expected to take up to 12 months, following approval of formal terms of reference for the Plan. Permitting activities on Line Creek Phase 2 and other projects are expected to continue in the interim. While the final Plan is being developed, we are continuing to build on our selenium management work — including construction of our first water treatment plant at our Line Creek Operations as well as monitoring, and extensive research and development — and we will continue to implement solutions throughout the development of the Plan.

What strategies is Teck proposing to address selenium?

We have proposed an integrated approach to stabilizing and reducing the selenium concentrations downstream from our mining operations in the Elk Valley. These tactics and technologies will help form the foundation as we work with communities of interest in the Elk Valley to develop the Elk Valley Water Quality Plan.

Our strategy includes up to \$600 million in investment over the next five years, focused on four key areas:

- Water treatment facilities: construction of six water treatment facilities at our Elk Valley operations
- Water diversions: construction of new water diversions in addition to the three already built-in order to prevent water from picking up unwanted substances
- Research and development: launched a major research and development program to identify improved water quality management technologies and techniques
- Monitoring: enhancing aquatic effects and water quality monitoring to assess the effectiveness of our strategy and adapting as necessary

Your Concerns, Our Response: Upper Columbia River Litigation

What is the issue?

The metallurgical complex at Trail, British Columbia has been operating on the banks of the Columbia River, 10 miles north of the Canada-U.S. border, since 1896. Disposal of granulated slag into the Columbia River is a legacy practice that our affiliate, Cominco Ltd., conducted up to 1995, in accordance with Canadian regulatory permits. The discharge of slag ceased in 1995, when new processing methods produced slag suitable for sale to the cement industry. This historical practice has resulted in ongoing litigation. On September 10, 2012, we reached an agreement in the Upper Columbia River litigation that avoided the need for a costly trial over technical issues. The agreement stipulates, that some portion of the slag discharged from Trail Operations into the Columbia River between 1896 and 1995, that some portion of the effluent discharged from Trail Operations has been transported to and is present in the Upper Columbia in the U.S., and that some hazardous substances from the slag and effluent have been released into the environment within the United States. Important scientific issues, as well as jurisdictional and other legal issues relating to the case, remain to be resolved.

For further background information on this issue, please visit our website and view the section on the Upper Columbia River Project.

Where is the issue currently at in the judicial process?

Following the agreement, in December 2012 the Federal District Court for Eastern Washington issued a declaratory judgment that Teck Metals Ltd. is liable under the *Comprehensive Environmental Response, Compensation, and Liability Act* (CERCLA) for response costs, the amount of which, if any, will be determined in the subsequent phase of the case. This subsequent phase has not yet been scheduled and is expected to be deferred until the remedial investigation and feasibility study with respect to environmental conditions in the Upper Columbia River is substantially complete. That study, which is being undertaken by Teck American Incorporated in cooperation with the United States Environmental Protection Agency (EPA), is currently expected to be completed in 2015.

What are we doing to better understand the issue?

To contribute to a better understanding of the issues in the region, we are currently funding a remedial investigation and feasibility study for the Upper Columbia River in Washington state designed to:

- Evaluate the nature and the extent of risks
- Determine if risks to human health or the environment exist
- Determine whether action is required to mitigate any unacceptable risk
- In the event that action is required, determine what action is most appropriate

What has been accomplished to date?

To date, we have invested \$55 million, in cooperation with the EPA in the assessment of the site, and the results are encouraging:

- The beaches in the reservoir are generally safe
- The water quality of the river meets water quality standards in both the U.S. and Canada
- Studies show that fish are as safe, or safer, to eat as fish in any other water bodies in Washington state

We are fully committed to completing these studies, which will determine whether there are unacceptable risks associated with sediments, including slag, in the Upper Columbia River.



Lot 48, an area on Columbia Lake in British Columbia with great cultural and ecological significance that an investment by Teck is helping to conserve

Minimizing Water Use Intensity

We continue to work towards better understanding and managing our water consumption, reuse and discharge. This includes enhancing our monitoring systems, installing additional flow meters to measure water use at key locations at each site, and improving our understanding of how our operations manage water by updating site water balances and engaging with other watershed users.

A consistent international water accounting framework and standardized water metrics have not been defined for the mining industry. Through our involvement with the International Council on Mining and Metals and its Water Working Group, we are helping to develop and to standardize water reporting practices in the mining industry. For 2012, our water reporting framework remains consistent with previous years.

In 2012, we also publicly shared our water practices and performance through our response to the CDP (formerly known as the Carbon Disclosure Project) Water Disclosure program. The program promotes disclosure by public companies of data related to water use and other water-related issues. Our full response can be found online at their website at www.cdproject.net.

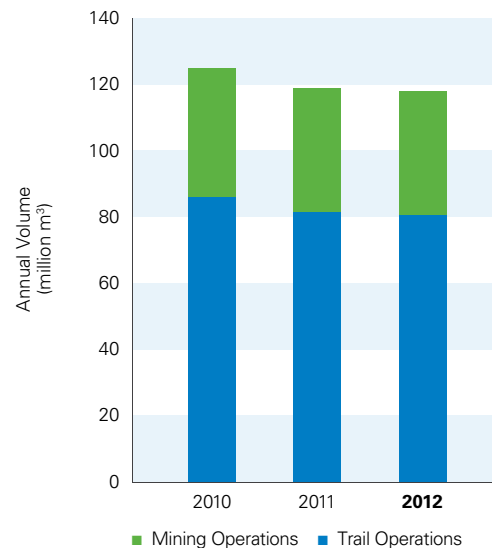
The following sections summarize our performance in terms of water quality, water quantity and water allocation in 2012. Additional data is provided in our Performance Overview Table on pages 108–109.

Water Withdrawal

In 2012, our total water withdrawal from ground, surface and other sources decreased by 1%, totalling 118 million cubic metres (m³), compared to 119 million m³ in 2011. The small decrease in water withdrawal was primarily due to a 1% decrease in water withdrawals at Trail Operations, our zinc and lead smelting and refining complexes, where nearly 80% of our total water withdrawals are made, predominantly for use as cooling water. The total water withdrawal for our mining operations in 2012 (excluding Trail Operations), was 37.6 million m³, compared to 37.7 million m³ in 2011. (Figure 12 to the right).

Figure 12

Total Water Withdrawal



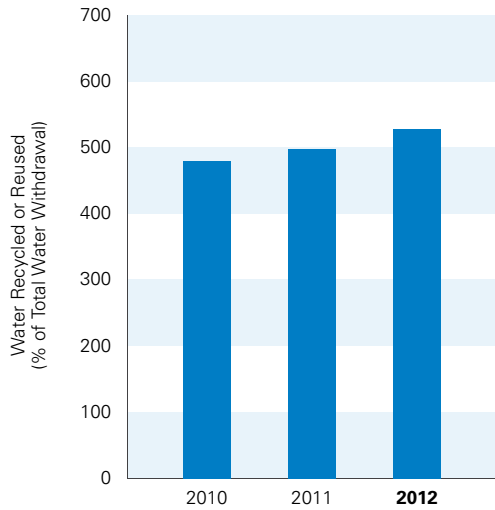
Water Recycling and Reuse

To minimize the amount of freshwater used from wells and surface water sources, we recycle and reuse as much water as possible. In 2012, the total quantity of recycled and reused water was 212 million m³ compared to 201 million m³ in 2011, an increase of approximately 5%. Of this total, the majority (199 million m³) was recycled at our mining operations.

In 2012, our water recycle and reuse rates, expressed as a percentage of total water withdrawals, was 180%. At our mining operations in 2012, our water recycle and reuse rates, expressed as a percentage of total water withdrawals, was 528% (Figure 13 to the right). This means that our mining operations recycled and reused the same water more than five times on average before returning that water to the environment.

Figure 13

Percentage of Water Recycled and Reused at Mining Operations



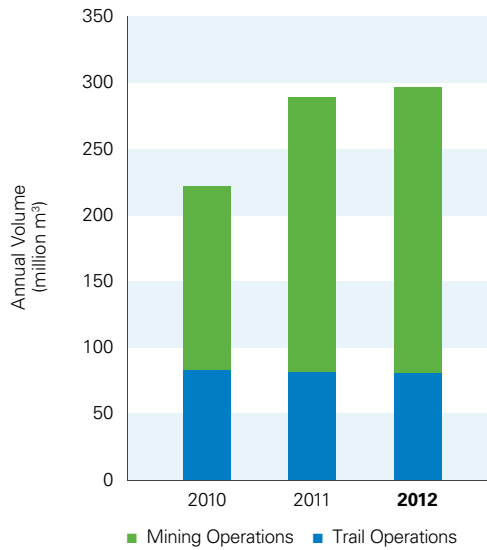
Water Discharge

Our total water discharge in 2012 was 296.5 million m³ compared to 289.3 million m³ in 2011 (Figure 14 to the right). Water discharge includes the discharge of any water that comes into contact with our operations. Therefore, volumes for water discharge are typically higher than total water withdrawals. For example, rain and snowmelt that travels through certain areas of our operations are managed on-site before being discharged to the environment. Therefore, it is also included in our volumes for water discharge.

Our water discharge volumes are influenced by year-to-year climatic variability, where higher discharges can be correlated to years with wetter than average conditions. Water discharge from our Trail Operations is primarily cooling water. This means that water does not come into contact with chemicals or reagents, so the only change it undergoes is a slight increase in temperature before being returned to the river.

Figure 14

Total Water Discharge



Promoting the Fair Use of Water

We are committed to using water responsibly, and to implementing effective water management techniques in consideration of other water users in the watersheds where we operate. With increasing demand for water, and water often not being available in sufficient quantities where it is needed, this issue is important to us and to our communities of interest. In Chile, we participate in water use planning in our areas of influence to promote the fair use of water.





Two of our projects in Chile face the same key challenge: access to water. Quebrada Blanca (QB) Phase 2, in northern Chile, is designed to extend our existing mine's production life by more than 30 years and to increase production by more than 100%. Relincho, in central Chile, is a greenfield project. Both of these projects are located in areas with limited availability of water.

Near QB and Relincho, there are no major rivers and minimal rainfall; the only water found is in underground aquifers. At QB, the aquifer is relied on by ecosystems. At Relincho, the aquifer is used by communities and the agriculture industry.

Given the limited availability of water, it was necessary to seek a different approach to meet the needs of our proposed operations. As a result, we have proposed the use of desalinated seawater at QB Phase 2 and Relincho. The water would be pumped from the coast via pipeline approximately 170 kilometres to QB Phase 2 and 125 kilometres to Relincho.

Using seawater has its challenges. It is a significant investment, and it requires additional energy to desalinate the water and pump it to our sites. To implement these projects, we have to consider various factors, including the additional cost to build and operate the desalination plant, the management plan for discharging the concentrated saltwater brine that results from the desalination process, and the increase in our energy consumption.

This is not the first time we have had to construct a pipeline to bring water to our Chilean operations. In 2011, at our Carmen de Andacollo (CdA) Operations in central Chile, we completed construction of a 27-kilometre pipeline to bring water to our process plant, thus eliminating the need for us to extract water from a groundwater aquifer we had previously shared with the community. This decision was made in consideration of the other water users in the community, consistent with our commitment to implementing effective water management techniques.

Our past experience with a limited local water supply at CdA gave us greater understanding of the long-term water situation in Chile. Given that our operations would be competing for precious local water resources, we came to the decision at both projects that using seawater was an appropriate solution, despite the increased capital and operating costs.





A key part of our strategy to manage water quality at our steelmaking coal operations in the Elk Valley of British Columbia is the construction of water treatment plants to remove selenium and other substances.

The West Line Creek Water Treatment Facility, now under construction, is our first full-scale selenium treatment facility. It will use a biological water treatment process, which was the most sustainable and efficient approach identified in a pilot study reviewed by third-party experts.

The biological treatment process relies on micro-organisms, which transform selenium into a particulate form. The solid selenium is then captured through a multi-step filtration process and removed from the water.

The West Line Creek Water Treatment Facility is expected to be in operation by the second quarter of 2014. It will treat 7,500 m³ of water per day, which is enough water to fill three Olympic-sized swimming pools. Facility expansions planned for 2018 will increase treatment capacity to 15,000 m³ of water per day. As selenium concentrations are quite low, the total quantity of selenium removed in the first phase of the facility is estimated to be 1.8 kilograms per day, increasing to 3.0 kilograms in the second phase.

The West Line Creek facility is one of six treatment plants planned as part of our proposed strategy for addressing water quality issues in the Elk Valley. That strategy will help form the foundation of an Elk Valley Water Quality Plan, which will set short-, medium- and long-term targets for levels of selenium, cadmium, nitrate and sulphate in water and for rates of calcite formation. That plan will be developed in consultation with communities, governments and First Nations throughout 2013–2014.


Our initial strategy proposes more than \$600 million in investment over the next five years on treatment facilities and on water diversions, which prevent clean water from flowing through waste rock and picking up selenium and other substances.

We have also launched a comprehensive applied research and development program in conjunction with several universities, consultants, water treatment and engineering companies, and our Applied Research and Technology Centre. This program aims to advance commercially viable technologies that will treat water more efficiently and improve techniques for mine design that minimize the release of selenium and other substances.

“Our water quality strategy is designed to identify and prioritize risks and to implement actions over the coming decade to keep the watersheds near our mining operations healthy for current and future generations,” said Dan L’Heureux, Director, Water Strategy.

The West Line Creek initiative corresponds with one of our Water sustainability goals: to implement measures to achieve operation-specific goals for improvements in water quality.

Biodiversity

 **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 important?

Protecting biodiversity is integral to responsible environmental management. Biodiversity is the variety of living organisms and ecosystems, and biodiversity conservation is the practice of protecting the abundance and variety of species of organisms on the planet.

Growing human populations coupled with the continued desire for a higher standard of living result in rising demand for the earth's resources, which in turn increases the pressures on ecosystems and biodiversity. Many of the world's ecosystems are being altered, resulting in a loss of biodiversity. As this trend continues, there is an increasing risk of some species becoming extinct, globally or regionally. In addition, there is growing concern about the ability of ecosystems to continue providing essential benefits, which are known as ecosystem services. Examples of ecosystem services include climate regulation, food provision and soil formation.

What does it mean for Teck?

Our mining activities affect biodiversity through land disturbance, and we can influence the adjacent environments through air and noise emissions, water utilization and other factors. We see mining as an interim and transitional land use, and we assess biodiversity carefully prior to disturbance and incorporate measures to reduce our impacts through planning, development, operations and reclamation.

Demonstrating a strong commitment to support biodiversity, including using our core competencies in environmental management, is important to our future success, creating value both for our shareholders and for the communities in areas where we operate.

How is this focus area connected with the others?

Biodiversity is closely linked to our other key focus areas. For example, healthy natural systems — including wetlands, rivers and forests — provide important ecosystem services such as climate regulation and the provision of clean water. Communities also depend on the land, plants and animals around them for their quality of life.

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

Our COIs depend on the land, plants and animals around them for their quality of life and, in some cases, to maintain a traditional way of life. As a result, they are interested in the impacts of mining on biodiversity.

Our COIs expect us to contribute to the conservation of biodiversity and to work collaboratively with them to

develop integrated approaches to land use. We are expected to protect biodiversity and to mitigate our impacts throughout every stage of the mining life cycle.

What is our approach?

Our sustainability strategy outlines our approach to biodiversity. This approach is embedded in our codes, policies and manuals, including our Code of Sustainable Conduct, our Biodiversity Guidance Manual and our Environment, Health, Safety and Community (EHSC) Management Standards. Our current focus is on developing and implementing comprehensive biodiversity management plans (BMPs) for each of our operations. Currently, only Red Dog Operations has a BMP in place. These plans will be designed to:

- Avoid impacts where possible
- Minimize impacts that are unavoidable by reducing the severity of the impacts
- Restore the affected areas by working to recreate the biodiversity values that the land supported prior to mining activities
- Offset any residual impacts to move towards a net positive impact on biodiversity

What progress have we made against our goals?

In 2012, we focused on developing the data requirements and measurement methods necessary to assess our baseline biodiversity and track our performance. Key actions towards our goals in 2012:

- Developed guidance for baseline data collection and risk/impact identification
- Prioritized sites for biodiversity management plan development in 2013
- Identified priority biodiversity features and issues for each site
- Revised our EHSC Management Standards to explicitly include biodiversity considerations

See our Detailed Goals Dashboard on pages 137–138 for more highlights of achievements we made in this focus area.

Material Topics

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Respecting Protected Areas and High Biodiversity Areas

Identifying protected areas and high biodiversity areas is a key step in biodiversity conservation. 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 areas⁹. Areas of high biodiversity value include those having features such as essential ecosystem services relied on by humans and animals, an abundance of species, or large areas of natural habitat.

In 2012, using a combination of databases to identify global conservation priorities and geographic information systems, we 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 will be an important input into the development of biodiversity management plans for each operation.

Currently, none of our operations or projects are located within UNESCO or IUCN protected areas, with the exception of Red Dog Operations, which has a haul road that passes through the Cape Krusenstern National Monument, an IUCN category III protected area. At all of our operations, we work to protect biodiversity regardless of whether or not they are in a protected or high biodiversity area.

⁹The IUCN categories are the global standard for classifying protected areas, with category Ia being the most strictly protected area (e.g., a nature reserve).



Tundra near Red Dog Operations in Alaska

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. We consider species at risk when we identify opportunities to protect and restore biodiversity in areas that are impacted by our activities. In addition, when developing our biodiversity management plans, we also consider the protection of species that may be more common but are still highly valued, due to other factors such as subsistence use by Indigenous Peoples.

Our approach to biodiversity management is habitat based, and we aim to protect or restore habitats that support all the species that form part of those ecosystems.

Each of our operations have occurrences of species at risk within and adjacent to them. 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.

In the past, the primary drivers for considering and addressing species at risk were the applicable laws and regulations that govern environmental assessments or specific regulations that require the avoidance and mitigation of disturbances of identified critical habitats. We continue to move from compliance-based efforts to a more proactive, systematic approach, which integrates considerations for species at risk when developing and

implementing our biodiversity management plans (BMPs). This approach involves:

- Understanding the species at risk that may occur within or near our operations or proposed operations
- Compiling comprehensive and verifiable baseline information from each site and conducting field surveys to determine which species at risk either occur in the area, or for which species suitable habitat exists
- Identifying the possible effects that our activities could have on species at risk, or on their habitats, at each stage of the mining life cycle from exploration through closure
- Applying our biodiversity mitigation hierarchy by identifying the actions that we can take to avoid, minimize, restore or offset our impacts
- Monitoring the effectiveness of our actions and adapting our plan as needed

White Sturgeon Recovery

In August 2006, the Government of Canada added white sturgeon populations from several British Columbia rivers, including the Upper Columbia, to the *Species at Risk Act*. Although it is still not fully known why the sturgeon population declined, the construction of hydroelectric dams, water quality and flow pattern changes, the introduction of exotic species, harvesting and increased development may all be factors.

In 2000, we partnered with the B.C. and Canadian governments, Indigenous Peoples, industry, environmental organizations and others to form the Upper Columbia White Sturgeon Recovery Initiative (UCWSRI). Working together, the UCWSRI is focused on helping to restore this ancient fish population to ensure the future of the white sturgeon in B.C. and Washington state.

With funding from our company and other partners, the UCWSRI developed a long-term recovery plan in 2002 with the objectives to monitor sturgeon populations, to identify and address factors limiting sturgeon from thriving, and to enhance reproduction and genetic diversity. This work has resulted in the establishment of a sturgeon hatchery, which has allowed juvenile sturgeon to be released into the Columbia River. Early results indicate that the hatchery sturgeon may be helping to rebuild the population. Additionally, the annual sturgeon release has become an educational community event.

Today, with our UCWSRI collaboration, we are continuing to invest in white sturgeon research to support their long-term recovery.

We continue to take actions to avoid, minimize, restore or offset our potential impacts. Some examples include:

- At Cardinal River Operations, we have restored and improved some areas of the habitat. Research over the past decade has shown that grizzly bears whose home ranges include mined lands that have been partially reclaimed are healthier, better fed and more reproductive than bears in nearby non-mined areas.
- At Trail Operations, we developed and implemented a management plan for power line rights-of-way in order to avoid impacts on a sensitive bird species habitat
- At our Quintette project located in northeast British Columbia, we are developing a comprehensive best practices program for mitigating effects on caribou and their habitat. Caribou are important to the culture and way of life for many First Nations and they are an integral part of the ecosystem. We have worked to bring together government, First Nations, industry and stakeholders to create a collaborative regional network that will guide efforts to stabilize and recover caribou populations across the region for decades to come.
- At Red Dog Operations, our trucking and shipping activities are adjusted to accommodate for caribou migration, whale migration, and hunting by local residents

Managing Cumulative Biodiversity Effects

Protecting biodiversity requires the consideration of past, present and reasonably foreseeable future events. These cumulative biodiversity effects form an important part of our biodiversity management plans.

Your Concerns, Our Response: Cumulative Biodiversity Effects

What is the issue?

Cumulative effects are changes to ecosystems caused by the combined effects of past, present and reasonably foreseeable future activities. In the past, environmental effects of industrial activities were assessed and monitored on an individual site or project basis. In recent years, increasing attention has been paid to assessing and monitoring the cumulative effects of industrial activities.

What actions have we taken?

Within our industry, it is now standard practice to assess cumulative effects when conducting environmental reviews of major projects. At Teck, we follow the assessment requirements of the jurisdictions in which we operate whenever we are planning projects. In many cases, we adjust the scope of our cumulative effects assessments based on the input we receive from our communities of interest. For example, we are working in a multi-stakeholder effort to develop a framework for assessing, managing and monitoring cumulative effects on ecosystems around our five steelmaking coal mines in the Elk Valley of British Columbia.

We also collaborate with other companies or industries in the areas where we operate in order to develop effective and collaborative cumulative effects monitoring. For example, since 1992, Trail Operations has been a key participant in the Columbia River Integrated Environment Monitoring Program (CRIEMP). The CRIEMP is a collaborative effort of the British Columbia Ministry of Environment, BC Hydro, local municipalities and other industry groups working to assess and publicly report on changes (both positive and negative) in river water quality and aquatic life.

What is the focus of current and future efforts?

Our current and future efforts focus on monitoring and managing cumulative effects on both land-based and aquatic ecosystems, using an adaptive approach. We plan and implement protective or restorative actions based on our expected contributions to cumulative effects, and our actions will be adjusted based on the results of ongoing monitoring and scientific studies.

Planning for Reclamation and Closure

Our activities disturb land by altering its natural features. Our practice is to progressively reclaim lands once those lands are no longer required for mining activities. In 2012, a total area of 479 hectares (ha) was disturbed by activities at our operations, and a total area of 163 ha was reclaimed. Please see our Performance Overview Table on pages 108–109 for additional information.

Our approach to reclamation is consistent with our overall vision of biodiversity conservation and includes 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. See below for one example of our reclamation practices.

We integrate biodiversity considerations as we plan our reclamation activities. Investing in biodiversity research is an important method of understanding and integrating these biodiversity considerations. For an example of this, see the pullout box on the American pika on page 86.

We develop and regularly update reclamation and closure plans for all of our operations. Closure planning focuses on responsibly ending mining operations while developing viable, long-term and diverse post-closure land uses in collaboration with the community. All of our operations have mine closure plans and, by 2015, these plans will also include social considerations. These considerations will be developed in consultation with communities and will be 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 through activities such as:

- Removing, relocating or demolishing buildings and physical infrastructure
- Closing pits and shafts
- Stabilizing underground workings
- Treating waste water appropriately
- Sloping and contouring waste rock dumps (where applicable)
- Capping or covering and vegetating waste rock dumps and tailings impoundments (where applicable)

Restoring the Pinchi Lake Mine Site

Pinchi was a mercury mine located in north-central British Columbia that operated in two different phases between 1940 and 1975. Formerly owned and operated by Cominco, which we acquired in 2001, the mine was placed in care and maintenance between 1975 and 2010. In 2010, in cooperation with representatives from the local First Nations — the Tl'azt'en Nation and the Nak'azdli Band — we initiated the decommissioning and reclamation of the site. This was a three-year, \$22 million reclamation project.

Pinchi Lake, which is adjacent to the mine, is located in the headwaters of the Fraser River system and contains at least 25 species of fish. A number of mammal species also inhabit the region, including beaver, muskrat, moose, black bear, coyote, marmot, fox, elk and deer.

One of the objectives of the Pinchi mine closure plan was for site reclamation efforts to complement the adjacent wildlife habitat, so that the site continues to support viable wildlife populations. A native tree and shrub planting program was implemented in 2012 to increase species diversity over the mine site.

To eliminate potential mercury risks to wildlife, the clean water in the tailings storage facility was safely drained to the lake under a permit and the tailings storage facility was covered with a layer of till to prevent the mercury from migrating into the lake.

Local stakeholders were involved throughout the mine closure process, meeting to discuss progress and touring the site.

Reclamation was completed in August 2012.



Solving the Mystery of the American Pika

In the spring of 2012, our Highland Valley Copper (HVC) Operations in south-central British Columbia joined forces with Thompson Rivers University on a research study to solve the mystery of why the American pika, a small mouse-like mammal, is living in reclaimed areas at HVC. Previous studies on the pika indicated that the mammals are typically found in high-altitude areas and that they cannot withstand temperatures higher than 25° Celsius. However, at HVC, the pikas appear to be thriving despite the low-elevation environment and the warm, dry climate during the spring and summer.

To date, the evidence suggests that the animals are attracted to the large amounts of broken rock fragments at the base of cliffs and to the vegetation created by the mining and reclamation processes ongoing in the area. We expect the final results of the study in the spring of 2014, and we are hopeful that these results will help us better understand how pikas are thriving on these reclaimed areas, as compared to their natural habitats. Our goal is that this research will help us identify improved future reclamation methods that will benefit this species.



A bighorn sheep at our Cardinal River Operations

Cardinal River Operations (CRO), located in the Rocky Mountains in Alberta, is home to the healthiest bighorn sheep population in North America — numbering approximately 950. The Rockies are known for their bighorn population with large bodies, good lamb-to-ewe ratios, and high density and numbers. Our reclaimed Luscar pit at CRO provides excellent year-round habitat for bighorn sheep, including terrain that helps protect the animals from predators and provides shelter for giving birth, as well as high-quality forage and saltlicks for nutrition.

Since the 1980s, we have helped transfer 368 bighorn sheep from CRO to various jurisdictions throughout North America to help rebuild depleted herds.

Most recently, in February 2012, working in conjunction with Alberta Sustainable Resource Development and Nebraska Fish and Wildlife, we facilitated the collection and transfer of 41 bighorn sheep to Nebraska. That state's bighorn sheep population began to decline in the late 1800s due to loss of habitat, unregulated hunting, and disease. Efforts to rebuild the population began in the late 1970s and continue to this day.

"Given the health of our bighorn sheep population, being able to help restore weaker populations is simply the right thing to do," said Larry Matwie, Permitting Officer, Environment, CRO.

Alfalfa hay is used to attract the sheep, and a large net is used to gently capture them. Approximately 60 volunteers,

veterinarians and wildlife biologists safely collect and prepare the sheep for transfer. The animals are blindfolded to help keep them calm, and GPS collars are affixed so Nebraska Fish & Wildlife can monitor them upon release.

Once collected, the sheep are examined at the capture site and loaded onto trailers by Canadian Food and Inspection Agency veterinarians. To ensure their safety, the animals' vital signs are monitored by veterinarians throughout the 48-hour, 2,000-kilometre journey. Upon arrival in Nebraska, the bighorn sheep are released into the wild near the town of Harrison to start a new herd and to help repopulate the bighorn range throughout the state.

With a healthy bighorn sheep herd at CRO, we are proud to be able to help our American neighbours rebuild their own populations in such a collaborative way.



In 2007, Trail Operations began to re-evaluate the options for managing approximately 7,000 hectares of low elevation wetlands that had been acquired decades earlier. Located in the Columbia, Kootenay and Kettle River valleys and in several popular recreational, residential and commercial/industrial areas, our ownership of the land provided a unique opportunity to preserve the lands and enhance the ecosystems in this area.

To help make land use decisions, we embarked on a program of land assessment and management. We began by assessing land values (e.g., wildlife habitat) and risks (e.g., wildfire, weed infestation, hazard trees and soil erosion) and management actions that we could take to restore or protect the lands going forward. This process involved identifying actions that could nurture thriving ecosystems and habitats for wildlife species, especially those that may be threatened or endangered at the provincial or national level.

One of the protective actions we took as a result of our land management program was designating two properties as Reptile Habitat Conservation Areas for threatened species such as the western skink, the northern rubber boa and the North American racer. We ensured the protection of this land from development by placing conservation covenants on land titles.

During land assessments in 2009 and 2010, we discovered that the habitat of these reptiles was being degraded by weedy plants, particularly the common teasel. In response, we joined forces with the Central Kootenay Invasive Plant Committee (CKIPC) and other volunteer groups to begin to remove the teasel from this area.

We also engaged the local high school to help with restoration in the area. A new greenhouse at the high school will grow plants for potential fill-planting at the Reptile Habitat Conservation Area, as well as for other restoration sites around our Trail Operations. The students will also be taught by plant experts how to collect and propagate the native plants they collect near the school.

We will continue to partner with community groups and employees in responsible land stewardship as we work toward our vision of having a net positive impact on biodiversity in the regions where we operate.



The western skink is one of the threatened species that resides in Trail Operations' designated Reptile Habitat Conservation Area

Energy

 **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 important?

Energy is critical for human development, including the provision of shelter, transportation, lighting, cooking, heating and refrigeration.

Global demand for energy is increasing, driven by population growth, increasing urbanization and economic development. This is resulting in 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 source of greenhouse gas (GHG) emissions. In response, some governments are introducing new policies and regulations aimed at reducing these emissions.

What does it mean for Teck?

We require large amounts of energy for our operations. For example, we require gasoline and diesel to power our vehicles, natural gas to produce heat, and large amounts of electricity to power our mining and metallurgical operations. Energy costs are one of our most significant operational expenditures. As a result, we are continually working to improve our energy efficiency and reduce our GHG emissions.

As mineral resources become scarcer, it is 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 challenging to reduce our energy intensity and GHG emissions.

How is this focus area connected with the others?

Energy is closely linked to our other focus areas. For instance, energy is essential to improving the standard of living for communities. However, energy production and use has the potential to negatively impact water quality and biodiversity.

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

The security and reliability of energy impacts each of our COIs. Around the world, people depend on access to affordable energy to improve their quality of life. At the same time, increasing demand for energy has resulted in growing concerns over GHG emissions. Because large amounts of energy are required for our operations, our COIs increasingly expect all energy users to improve their energy efficiency and reduce their GHG emissions.

What is our approach?

Our sustainability strategy outlines our approach to energy. This approach is embedded in our codes, policies and manuals, including our Code of Sustainable Conduct and our Environment, Health, Safety and Community (EHSC) Management Standards. Our focus is on continually improving our energy efficiency and on supporting the increased use of non-carbon-emitting energy sources. We also collaborate with other organizations to develop alternative energy sources and develop more energy-efficient technologies.

What progress have we made against our goals?

In 2012, we focused our efforts on implementing a plan that lays the groundwork for achieving our goals. A core component of the plan was developing energy maps that identify energy sources and uses at each operation, enabling us to set operation-specific energy targets. In addition, we developed a process to track energy and GHG projects aimed at improving our energy efficiency and reducing GHG emissions. Key actions towards our goals in 2012:

- Implemented 10 projects that reduced energy consumption at existing operations by over 200 terajoules
- Implemented 12 projects to reduce GHG emissions at existing operations by over 50 kilotonnes of carbon dioxide-equivalent emissions
- Achieved 10 megawatts of alternative energy generation through our Wintering Hills Wind Power Facility

See our Detailed Goals Dashboard on page 138 for more highlights of achievements we made in this focus area.

Material Topics

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Monitoring Energy and Greenhouse Gas Performance

Energy is one of our most significant expenses. As a result, we are focused on understanding our performance in order to identify opportunities to improve it.

Energy Use

In 2012, we consumed a total of 46,993 terajoules (TJ) of energy (i.e., electricity and fuels), as compared to 45,304 TJ in 2011. Trends in fuel¹⁰ and electricity¹¹ consumption for the past three years by type are shown in Figure 15. In 2012, seven of our 13 operations reduced their energy consumption. The overall increase is primarily attributed to increases at two of our operations. In 2012, Elkview Operations increased the amount of material moved, including coal and waste rock. At Greenhills Operations, we had our first full year of operation following a production disruption in 2010, as well as increased production.

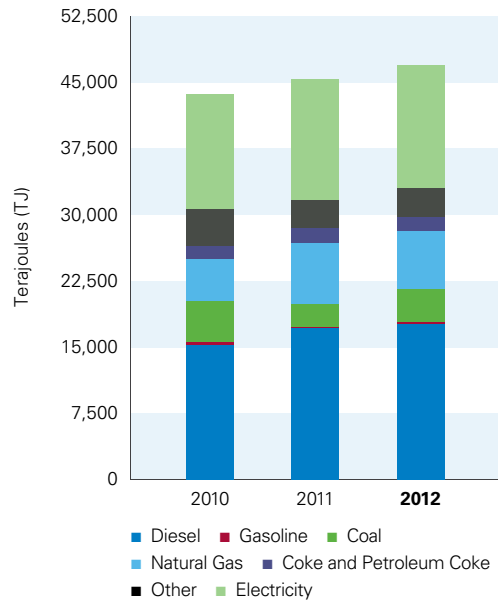
In Table 17, we outline our energy intensity, the amount of energy per tonne of product, which is a measure of efficiency.

¹⁰Fuel encompasses diesel, gasoline, coal, natural gas, coke, petroleum coke and other fuels. "Fuel" is equivalent to the Global Reporting Initiative's (GRI) definition of "direct" energy.

¹¹Electricity is equivalent to GRI's definition of "indirect" energy.

Figure 15

Energy Consumption by Type 2010–2012⁽¹⁾⁽²⁾



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

⁽²⁾ 82%, or 11,483 TJ, of our total electricity consumption is hydroelectricity, a renewable primary energy source, while all other energy types used (i.e., fuels) are from non-renewable primary energy sources.



A drill rig at the Fort Hills oil sands project in Alberta

Table 17

Energy Intensity in Product (terajoules per kilotonne) (Total Energy)

Operation	2012	2011	2010
Smelter			
Trail	30.3	30.0	31.2
Large Open Pit Metal Mine			
Highland Valley Copper	46.1	56.8	58.0
Large Open Pit Coal Mines			
Cardinal River	1.16	1.27	0.91
Coal Mountain	0.67	0.68	0.65
Elkview	1.00	0.86	0.72
Fording River	0.62	0.71	0.72
Greenhills ⁽¹⁾	1.38	1.06	–
Line Creek	0.53	0.65	0.61
Open Pit and Underground Metal Mines			
Duck Pond	11.1	10.7	10.4
Red Dog	4.4	4.2	4.3
Open Pit Mines Producing Final Metal			
Carmen de Andacollo	28.7	31.8	40.9
Quebrada Blanca	74.7	74.0	57.9

⁽¹⁾ A major interruption affected production processes and rates for several months in 2010. As a result, the trend in the intensity metric is not meaningful as compared to other years and has been excluded.

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 product, our mobile equipment, and the methane released from coal seams during mining each account for roughly one-third of total emissions. Emissions from the Trail Smelter are dominated by the use of coal in the furnaces and 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 in the use of diesel for our mobile equipment. As such, the options for reducing emissions vary significantly across our different operations.

In 2012, our total GHG emissions as carbon dioxide-equivalent (CO₂e) were 3,183 kilotonnes (kt), compared

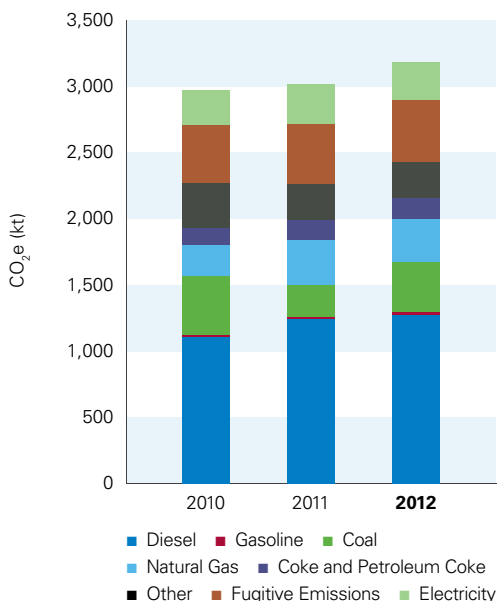
to 3,018 kt in 2011. Of those totals, our direct GHG emissions¹² were 2,889 kt in 2012, compared to 2,718 kt in 2011. Figure 16 shows a detailed breakdown of our emissions by fuel type. In 2012, three of our 13 operations reduced their GHG emissions. The overall increase is primarily attributed to increases at two of our operations. In 2012, Elkview Operations increased the amount of material moved, including coal and rock. At Greenhills Operations, we had our first full year of operation following a production disruption in 2010, as well as increased production.

We estimate our indirect GHG emissions associated with electricity use for 2012 to be 294 kt, or approximately 9% of our direct emissions. These emissions are associated primarily with our Cardinal River and Carmen de Andacollo 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.

¹² Fugitive emissions from our coal operations (i.e., estimated methane release) are captured as direct emissions.

Figure 16

GHG Emissions by Type 2010–2012



Carbon intensity (tonnes of direct CO₂e emissions per tonne of product) is one measure of efficiency. In 2009, we began reporting our carbon intensity on the basis of tonnes of materials moved, in addition to carbon intensity on the basis of tonnes of product. Carbon intensity based on materials moved is a more meaningful measure of operational efficiency, as it relates emissions to the total amount of work performed on-site to move all materials relevant to the production of products (e.g., the removal of overburden and waste rock as well as the movement of ore/coal).

Tables 18 and 19 show our carbon intensity in product and in materials moved by operation. The variability found in the data for these tables falls within the normal parameters of mining operations. In 2012, Greenhills Operations experienced an increase in intensity based on production as a result of a return to a full year of normal operations, including the use of the coal dryer following the major interruption that occurred in 2010. The decrease in intensity based on production at Carmen de Andacollo Operations is primarily attributed to improved production.

Table 18

Carbon Intensity Based on Production (CO₂e in tonnes/tonne of product)
(Total Scope 1 and Scope 2 Emissions)

Operation	2012	2011	2010
Smelter			
Trail	1.19	1.14	1.17
Large Open Pit Metal Mine			
Highland Valley Copper	1.54	1.92	1.93
Large Open Pit Coal Mines			
Cardinal River	.122	.133	.102
Coal Mountain	.066	.059	.064
Elkview	.078	.069	.061
Fording River	.055	.062	.066
Greenhills ⁽¹⁾	.124	.090	–
Line Creek	.048	.055	.051
Open Pit and Underground Metal Mines			
Duck Pond	.28	.26	.26
Red Dog	.32	.30	.31
Open Pit Mines Producing Final Metal			
Carmen de Andacollo	2.79	3.70	4.71
Quebrada Blanca	5.57	5.45	4.36

⁽¹⁾A major process interruption affected production processes and rates for several months in 2010. As a result, the intensity metric is not meaningful as compared to other years and has been excluded.

Table 19

Carbon Intensity Based on Materials Moved (tonnes/tonne)
(Total Scope 1 and Scope 2 Emissions)

Operation	2012	2011	2010
Large Open Pit Metal Mine			
Highland Valley Copper	.0018	.0020	.0018
Large Open Pit Coal Mines			
Cardinal River	.0078	.0082	.0078
Coal Mountain	.0038	.0078	.009
Elkview	.0023	.0027	.0025
Fording River	.0020	.0019	.0027
Greenhills ⁽¹⁾	.0031	.0022	–
Line Creek	.0017	.0016	.0016
Open Pit and Underground Metal Mines			
Duck Pond	.015	.014	.013
Red Dog	.015	.015	.018
Open Pit Mines Producing Final Metal			
Carmen de Andacollo	.009	.008	.011
Quebrada Blanca	.010	.009	.008

⁽¹⁾ A major process interruption affected production processes and rates for several months in 2010. As a result, the intensity metric is not meaningful as compared to other years and has been excluded.

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 companies within the value chain of a company. For example, scope 3 emissions within our value chain 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 breadth and our approach is to identify and quantify material scope 3 emissions.

For Teck, one of the material sources of scope 3 emissions comes 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. Steel is an essential component for building the infrastructure that is required to improve the quality of life around the world. Based on 2012 sales volumes, scope 3 emissions from the use of our steelmaking coal are approximately 75,000 kt of CO₂e.

Implementing Energy and Greenhouse Gas Emissions Improvements

We are focused on improving our energy efficiency for both financial and environmental reasons. In 2011, we established short- and long-term energy and GHG targets as part of our sustainability goals, creating an incentive to further improve energy efficiency and reduce GHG emissions. In 2012, we implemented several energy and GHG reduction projects that contribute towards our energy goals.

Examples of these projects are:

- At Red Dog Operations, we implemented a new system to control the operation of multiple air compressors. The control system balances compressed air demand with the minimum number of compressors required to meet the demand, allowing each compressor to operate more efficiently. Since Red Dog's power is diesel generated, adoption of this system not only resulted in reduced energy use, but also in significant reductions in GHG emissions. We also improved energy consumption from compressed air usage at our Highland Valley Copper Operations, where an aging compressor was replaced with new, more efficient compressor technology.
- At our six steelmaking coal operations, we continued efforts to retire old mobile equipment and replace it with larger, more efficient models. For example, we replaced multiple 240-ton haul trucks with 320-ton haul trucks, allowing us to move similar amounts of material while consuming less diesel and resulting in fewer trucks on the road overall. We also improved the efficiency of existing equipment by using lighter weight boxes on some of our haul trucks.

Evaluating Energy Supply and Reliability

We have set a 2015 target of committing to 30 megawatts (MW) of alternative energy generation. By 2030, we have committed to expanding 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 are currently exploring opportunities for the procurement of alternative energy sources.

In 2012, approximately 26% of our energy requirements were supplied by non-carbon-emitting sources, largely due to our access to hydroelectricity. We also achieved the first full calendar year of operation at the Wintering Hills Wind Power Facility, our first major investment into renewable energy (see the box to the right).



Wintering Hills Celebrates First Year of Production

In 2012, the Wintering Hills Wind Power Facility near Drumheller, Alberta completed its first full year of production. The facility consists of 55 1.6 MW turbines that deliver power to the electrical grid. We have a 30% interest in the facility, a joint venture with Suncor Energy, the project operator. Wintering Hills performed better than expected, producing 88 gigawatt hours (GWh) of electricity — enough clean power to provide more than 57,000 tonnes of carbon dioxide-equivalent (CO₂e) emissions credits, which offsets greenhouse gas emissions from our Cardinal River Operations in Alberta. “Our investment in Wintering Hills is an opportunity to develop our understanding of wind power generation and to evaluate other opportunities to develop wind farms around our operations,” said David Harmata, Project Manager, Teck Energy. “Although the power generation in 2013 is dependent on weather conditions, the anticipated 85 to 90 GWh of power will result in approximately 55,000 tonnes of CO₂e offsets.”

Your Concerns, Our Response: Oil Sands Projects and Our Energy Strategy

How do your oil sands projects align with your energy strategy?

Canada's oil sands are one of the world's largest deposits of crude oil, with more than 1.8 trillion barrels of bitumen in the ground¹³ With increasing global demand for energy and declining supply from conventional sources, oil sands production in this region will continue to grow. We own 100% of the Frontier oil sands project, a 20% interest in the Fort Hills oil sands project and a 50% interest in other oil sands leases, including the Lease 421 Area.

As a company with 100 years of experience developing large-scale mining operations, and a commitment to sustainability, including successfully reclaiming mine sites, we believe that we are well-positioned to develop our oil sands projects while meeting our energy goals. Our oil sands interests represent valuable long-term assets that present us with an opportunity to develop these projects responsibly in order to help meet the world's growing need for energy.

What approach will you take to develop your oil sands projects with your energy goals in mind?

We draw from our experience in large-scale truck-and-shovel mining operations to tackle the environmental challenges presented by resource extraction in the oil sands.

Our approach will focus on mine planning and progressive reclamation to minimize the amount of land we disturb, efficiency in water use, and recycling and energy efficiency through the adoption of industry best practices and new technologies. As a founding member of Canada's Oil Sands Innovation Alliance — an alliance of oil sands producers focused on accelerating the pace of improvement in environmental performance in the oil sands through collaborative action and innovation — we will continue to look at adopting new technologies as they become available and proven.

Since 1990, the oil sands industry has reduced the average GHG emissions per barrel of oil by 29%. We are committed to continuing to look for ways to further reduce emissions. In alignment with our goals, we are focused on developing energy responsibly by incorporating technology and best practices to reduce emissions and improve energy efficiency.

¹³Energy Resource Conservation Board, Oil Sands.



Worker at the Fort Hills oil sands project in Alberta

Identifying Energy and Greenhouse Gas Risks and Opportunities

Energy and greenhouse gas risks and opportunities include evolving regulations that impact our energy use and cost for carbon, and the potential physical risks of climate change. We integrate consideration of these risks and opportunities into our energy and greenhouse gas management practices.

Carbon Regulations and Economics

The regulation of GHG emissions inherently establishes a price for carbon, which is either paid directly or mitigated through generation or purchase of offsets. Our Cardinal River Operations (CRO) meets Alberta GHG compliance requirements through efficiency improvements, payments to Alberta's Climate Change and Emissions Management Fund (CCEMF) and, for the first time in 2012, the use of offsets generated from the Wintering Hills Wind Power Facility. In 2012, CRO used approximately 46,000 tonnes of offsets, and paid approximately \$110,000 to the CCEMF.

The Province of British Columbia (B.C.) introduced a carbon tax on fossil fuels in 2008. The tax is imposed on various fossil fuels used in B.C. and, on July 1, 2012, the final increase planned by government saw the tax rate reach \$30 per tonne of CO₂e emissions. For 2012, our seven B.C.-based operations paid \$46 million in provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas, and we expect to pay a similar amount in 2013. 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), available on the CDP website at www.cdproject.net.

Physical Risks of Climate Change

The physical risks of climate change can include rising sea levels, rising temperatures and changes in precipitation. These can result in the increased intensity and duration of extreme weather events such as storms, drought and flooding. These all have the potential to impact our activities. Consequently, climate variables (e.g., precipitation, temperature, water runoff) are integrated into the design and operation of our business.

In 2010, we began working with technical experts in the field of climate modelling and forecasting to better understand potential future changes in climate-related variables. This project is serving to assess the utility of climate modelling as a tool while developing data that can potentially be integrated into our decision-making and risk management practices.

Assessing the physical risks of climate change continues to develop as a practice in the mining industry. At the international level, the International Council on Mining and Metals (ICMM), as part of its Climate Change Task Force, has created a working group focused on the physical risks and opportunities associated with climate change. We are part of this working group, and leverage the expertise and projects of the group to support our risk assessment processes.



A haul truck at Highland Valley Copper Operations displays a slogan to discourage idling

In 2012, our Highland Valley Copper (HVC) Operations in south-central British Columbia developed a Vehicle Idling Policy for all unattended motorized vehicles on-site to help reduce energy consumption and GHG emissions, and to decrease unnecessary wear and tear on engines and components.

The policy states that no piece of equipment shall be left idling between shifts unless it is deemed necessary by the Maintenance Department. Light vehicles can only be idled until the front window is cleared or when used as a source of warmth when working in the field during temperatures at or below 0° Celsius. All HVC employees and contractors are responsible for reporting any vehicles found idling and to shut them off if they have been properly trained to do so.

To begin to change behaviour around idling to help reinforce the new policy, HVC launched an Idle-Free campaign in November 2012 to inform employees about how turning off a vehicle while not in use can reduce emissions. Idle-Free champions at HVC used presentations and handouts to inform their colleagues about the myths and facts of idling. For example, one common myth

about idling is that it does not use up much energy. In fact, idling a haul truck consumes up to 40 litres of diesel every hour — and an hour is the approximate amount of time it takes for a usual shift change.

“At HVC alone, going idle-free has the potential to prevent an estimated 4.7 million kilograms of CO₂ from being released into the atmosphere each year,” said Craig Haight, Energy Coordinator, HVC. “Not only does turning off the engine when not required reduce impacts on the environment, it also results in lower fuel consumption and reduced wear and tear on the engines.”

Given the success to date at HVC in implementing the policy, we are also rolling out the Idle-Free campaign at our six steelmaking coal operations. The campaign is expected to be fully launched by July 2013.



Haul road at Highland Valley Copper Operations in British Columbia

When it comes to energy management, mining faces a unique challenge; over the life of a mine, energy use typically increases. Take, for example, a typical copper mine.

The Energy Challenge

As the copper resource is developed, mining begins by extracting ore closest to the surface. As these resources are removed, equipment must mine ore from an increasing depth. Deeper pits result in longer, uphill hauls for trucks to deliver ore to the mill for processing — increasing diesel consumption, which results in greater energy consumption and GHG emissions.

In addition, to enhance project economics, higher grade ore is commonly processed early in the mine life, followed by lower grade ore. Our Highland Valley Copper Operations were processing ore with a copper grade of 0.47% in 1988; this had declined to a grade of 0.30% in 2012. 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 energy consumption and GHG emissions required to produce each tonne of product over the life of a mine.

What is Teck Doing?

While an operation’s energy profile will typically demonstrate increased energy consumption over time, we are nonetheless committed to minimizing the impact of increasing energy consumption and GHG emissions. Our energy goals focus on pursuing projects that enhance energy efficiency and thereby reduce GHG emissions at any stage in a mine’s life. This is also a part of our longer term strategy with our 2030 energy and GHG reduction targets. One example of a short-term energy goal is our investment in the Wintering Hills Wind Power Facility near Drumheller, Alberta, which has contributed significantly to our target of achieving 30 megawatts of alternative energy generation by 2015.

In the future, it is likely that new resource development projects will be in even more remote locations, perhaps with lower grade material that is more challenging to extract and process. These factors all suggest that mining is likely to become even more energy intensive. This will make it challenging to reduce our energy intensity and the associated GHG emissions. With this understanding in mind, we are developing goals around the design of our new projects to ensure that we are continually evaluating best practices for future operations.

Materials Stewardship



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



Tammy Salway, Senior Engineer, Raw Materials, stands in front of pallets of electronic waste waiting to be recycled at Trail Operations

Why is this important?

The global demand for materials continues to grow, driven by factors such as growing human populations and a rising middle class, which both contribute to increased infrastructure development and increased production of consumer goods. 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.

As the volume of materials used globally grows, developing and supplying high-quality materials to meet society's needs is becoming more challenging. Materials can have impacts on people and the environment through waste, emissions and the accumulation of hazardous materials. Increasing societal expectations related to extended producer responsibility is making it more important than ever to fully understand product life cycles in order to maximize value while minimizing impacts.

What does it mean for Teck?

The mining and metals industry delivers value for society by providing products that are integral to people's quality of life. Our focus is on delivering products and services that provide maximum value to society while minimizing impacts on people and the environment.

How is this focus area connected with the others?

Materials stewardship is closely linked to our other focus areas. For example, recycling metals extends the useful life of metal, conserving resources such as energy and water used in the primary extraction of metals.

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

All COIs are consumers of mineral products. As consumers, they are increasingly interested in the life cycle impacts and the management of the products they consume. Consequently, our COIs increasingly expect us to manage risks and leverage opportunities across our supply chain and throughout the life cycle of our products.

What is our approach?

Our sustainability strategy outlines our approach to materials stewardship. This approach is embedded in our codes, policies and manuals, including our Code of Sustainable Conduct and our Environment, Health, Safety and Community (EHSC) Management Standard for materials stewardship. This standard requires that we identify, assess and communicate the EHSC risks associated with our products and that we continue to enhance our management practices.

Our focus is on enhancing product stewardship and supply chain management by:

- Conducting life cycle assessments of our products, on a select basis
- Promoting the effective, efficient and economic use of metals and recycling in the mining industry through our technology and expertise
- Engaging with our COIs to understand customer needs, lessen supply chain impacts and improve market access

What progress have we made against our goals?

In 2012, we focused on developing implementation plans for our materials stewardship goals. Key actions towards our goals in 2012:

- Completed a prototype life cycle assessment process
- Established a baseline for scrap metal and recycling efforts at each site
- Issued recommended protocols for suppliers and service providers

See our Detailed Goals Dashboard on pages 139–140 for more highlights of achievements we made in this focus area.

Material Topics

- Managing Product Stewardship 104
- Managing the Supply Chain 106

Managing Product Stewardship

In 2012 we produced:

- 373,000 tonnes of copper from our Quebrada Blanca and Carmen de Andacollo operations in Chile, our Highland Valley Copper Operations in British Columbia, our Duck Pond Operations in Newfoundland and our 22.5% share of the Antamina mine in Peru
- 24.7 million tonnes of steelmaking coal from our Elk Valley Coal Operations and our Cardinal River Operations
- 529,100 tonnes of zinc contained in concentrate from our Red Dog Operations in Alaska
- 284,000 tonnes of refined zinc from our Trail Operations

While these are our major products, we also produce lead and molybdenum concentrates. Our Trail Operations, one of the world's largest fully integrated zinc and lead smelting and refining complexes, also produces a variety of precious and specialty metals, including germanium, indium, cadmium, gold and silver, fertilizer products, sulphur products, and various intermediate chemical products.

As a diversified resource company with operations in several countries, one of our greatest challenges is continuing to develop appropriate systems to manage our breadth of products across numerous operational jurisdictions. To do this effectively, our Materials Stewardship Committee (MSC) defines and oversees our materials stewardship efforts.

The MSC is responsible for managing issues, including:

- Monitoring products and regulations and technical, transportation and legal issues
- Managing labelling and packaging requirements
- Making recommendations on new product applications

Environmental, Health and Safety (EHS) Impacts of Our Products

We identify, assess and communicate the EHS risks associated with our products. Externally, we work closely with commodity associations, including the International Copper Association, International Zinc Association, International Cadmium Association and the International Lead Association, to collaborate and share knowledge, enhance understanding of our products and define industry best practices. We regularly review and revise our Materials Stewardship Program.

Life Cycle Assessment

Managing products through their life cycle creates value and reduces risk for our customers. It also strengthens our relationships with communities of interest. One of our short-term goals is to conduct life cycle assessments (LCAs) for our key products. This methodology is intended to examine our actions and responsibilities, beginning with the extraction of raw material from the earth, through to transportation, internal sales and processing, while considering procurement practices and evaluating service and materials supplier practices. In 2012, we completed a cradle-to-gate (extraction-to-smelter-gate) trial life cycle analysis on zinc concentrate. This pilot project was conducted to learn more about the LCA methodology before applying it to our other products.

Complying with Laws and Regulations

The regulatory landscape for classifying, labelling, marketing and transporting our products is constantly changing. We ensure compliance with all applicable laws and regulations in all jurisdictions in which we operate and export our products.

We provide information on the potential product-related environmental and human health risks, the chemical composition of our products, recommendations on their safe use, and pertinent disposal information. This is done through several mechanisms, including Materials Safety Data Sheets (MSDSs), product labels/placards and technical specification information. For all of our products (except gold) we have an MSDS that is reviewed by a third-party expert and updated as required.

We are actively responding to the European Union (E.U.) Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), which requires E.U. importers, manufacturers and downstream users to assess and mitigate the environmental, health and safety impacts of chemicals. The goal of REACH is to “improve the protection of human health and the environment through the better and earlier identification of the intrinsic properties of chemical substances.” We have an internal REACH Implementation Group to oversee and manage our membership in the E.U. REACH producer consortia (for zinc, lead, copper, cadmium and indium) that is designed to generate essential information regarding the physical/chemical, environmental and toxicity properties of our metals and their compounds. This information in turn allows us to further accurately classify our products and to provide our customers with the most accurate information on the hazards of each material as well as advice on appropriate preventative measures to reduce and eliminate these risks. As regulations similar to REACH develop globally, this group will expand its scope to manage regulatory developments in other parts of the world.

We move our products all around the globe from our mine sites directly to customers or to our refining facility. For example, the majority of our steelmaking coal is shipped from British Columbia to customers in the Asia-Pacific region. Some of the zinc from our Red Dog Operations in Alaska is shipped to our Trail Operations for refining and then to customers, primarily in North America and Asia. The principal market for our copper concentrate is Asia, with a lesser amount sold in Europe. Our transportation group works to ensure compliance with the International Maritime Organization (IMO) regulations on shipping bulk cargoes (including our metal concentrates). We are also members of the World Ocean Council, a cross-sector coalition that works to improve ocean science in support of safe and sustainable operations in, on and near the ocean.

Recycling

We are working to improve recycling at our operations by identifying and sharing best practices throughout the company. In 2012, we assessed current recycling practices for scrap metals and other materials such as glass, paper, batteries and tires at each of our operations. We are currently in the process of reviewing the data to determine next steps.

Our waste management and recycling commitment extends beyond our own operations. Metal can be recycled indefinitely, and recycling it conserves resources — such as energy and water — used in the primary extraction of metals. Through our technology and know-how, we aim to promote the effective, efficient and economic recycling of metals. Toward this end, we engage with governments, downstream manufacturers, recyclers and users of our products. For example, we actively participate in the Recycling Council of British Columbia. This organization has members from government, industry, non-profit organizations and the public at large, and aims to facilitate the exchange of ideas and knowledge to find solutions to efficiently eliminate waste.

At our Trail Operations, we recycle discarded electronic equipment, or e-waste, keeping the material out of landfills and recovering valuable metals. In 2012, Trail Operations processed 12,000 tonnes of e-waste; over 65,000 tonnes have been processed since the start of the program in 2006. The planned expansion of our e-waste recycling program (Number 4 Furnace Project) was deferred in 2012 as part of our capital deferral program. However, recycling continues to be a focus at Trail Operations within the limits of our current capabilities.

For over 25 years, Trail Operations has also been recycling lead acid vehicle batteries through its lead smelter. Lead from vehicle batteries now accounts for up to 25% of our lead production. In 2012, we processed approximately 11,700 tonnes of lead in battery products, equivalent to approximately 1.6 million car batteries. This closes the loop in a cradle-to-cradle process, as we are regenerating materials for a new life cycle as a useful product.

Managing the Supply Chain

Companies are increasingly expected to manage their social and environmental supply chain risks, to consider and embed social and environmental criteria in sourcing decisions and processes, to identify opportunities for value creation, and to leverage dollars and relationships to influence supplier sustainability upstream and downstream.

Supply chain management is a particular challenge for companies with global supply chains. A key upstream (supplier) supply chain risk is the performance of potential suppliers with respect to human rights, environment, labour and legal compliance matters. A key downstream (customer) supply chain risk is the ability of potential customers to manage our products or any deleterious byproducts of processing our materials (e.g., their ability to ensure materials are managed in an environmentally sound manner).

Our major customers include smelters, secondary refiners/manufacturers, steel mills and coking coal users. We work with them to ensure that their processes, equipment and practices are sufficient to manage our products, and the potential byproducts and wastes in a safe and environmentally sound manner.

To better understand our supply chain, we analyze spending to identify significant suppliers. As our purchasing is largely decentralized, supplier management is currently a shared responsibility across the company. Each site has employees responsible for procurement who raise awareness among significant suppliers and

service providers regarding our expectations for legal, health and safety, human rights and environmental standards. Part of how we manage supplier risks is through the Request for Information and Request for Proposal process. For example, we may ask potential suppliers to complete a questionnaire on their Environment, Health, Safety and Community (EHSC) policies and practices, and we evaluate their past performance prior to selection.

In 2012, we took steps to identify social and environmental risks in our supply chain management and to implement processes to better manage these risks. Upstream, we are beginning to develop and implement a system to communicate our expectations to our primary materials suppliers, with the aim of improving the quality of our supply chain. Our *Recommended Protocols for Suppliers and Service Providers*, along with an internal guidance document, are intended to assist us with our goal of working with suppliers that have acceptable human rights, labour, health and safety, and environmental practices. We are actively working with representatives from each operation to guide them in rolling out these protocols to their suppliers and service providers.



Pieces of electronic waste on their way to be recycled to extract valuable metals at Trail Operations



An area reclaimed using biosolids at Highland Valley Copper Operations in British Columbia

Since 1996, we have reused the biosolids that result from Metro Vancouver’s waste water treatment process to improve reclamation at Highland Valley Copper (HVC). Biosolids are a source of nutrients and organic matter that can be used to support the establishment of vegetation. Using biosolids helps improve the soil’s structure, nutrient availability and water capacity so we get more sustainable vegetation.

“We have a permit from the Province of British Columbia to apply the biosolids to the areas on-site that we want to reclaim,” said Jaimie Dickson, Senior Environmental Coordinator at HVC. “Before this occurs, an agrologist conducts soil testing to make sure that when the biosolids are applied, metal levels will not exceed regulations.”

The first few years we used biosolids, demonstration plots were established on tailings and waste rock to evaluate the effectiveness of various application rates and methods. The biosolid-treated plots often exceeded the results of conventional reclamation methods. Extensive monitoring for vegetation, soil chemistry and water quality indicated no detrimental impact on the environment. Throughout the past 17 years, more than 380,000 wet tonnes of biosolids have been applied to more than 700 hectares of disturbed land.

At HVC, most reclamation is done directly on tailings and overburden, which is made up of low organic matter and limited nutrients. Using biosolids assists in the reclamation process and creates a new use for waste that would

otherwise go to landfills. Using biosolids also aligns with our approach to materials stewardship. We work to incorporate product stewardship practices, including recycling, wherever possible at our operations. By using biosolids to make our reclamation methods more effective, we thereby improve the sustainability of our mining life cycle at HVC.

“We are pleased to share our past experiences and best practices in biosolid-assisted reclamation with others,” said Dickson. “We can also provide data and reports that demonstrate that biosolids are safe to use and can improve reclamation performance.”

In the coming years, we will continue to use biosolids to support our reclamation activities and we will expand our research on combining biosolids with wood chips to better grow trees and shrubs on reclaimed sites. As our energy business unit grows, we are also participating in research trials to demonstrate the appropriateness of using biosolids for reclamation in the oil sands industry.

Performance Overview Table⁽¹⁾

Category		2012	2011	2010
Safety and Health ⁽²⁾	Total Recordable Injury Frequency (TRIF)	1.32	1.45	1.76
	Fatalities	0	0	1
	Lost-Time Injury (LTI)	94	92	84
	LTI Frequency (LTIF)	0.46	0.50	0.56
	Severity	17.48	21.40	76.48
Energy and Greenhouse Gas (GHG) Emissions	Energy – fuel (TJ)	33,016	31,709	30,625
	Energy – electricity (TJ)	13,976	13,595	13,029
	Total energy use (TJ)	46,993	45,304	43,654
	GHG emissions – direct CO ₂ e (kt)	2,889	2,718	2,710
	GHG emissions – indirect CO ₂ e (kt)	294	299	259
	GHG emissions – total CO ₂ e (kt)	3,183	3,018	2,969
Materials	Waste rock (kt)	746,212	720,695	592,607
	Tailings (dry kt)	66,035	61,413	57,246
	Coarse Coal Refuse (kt) ⁽³⁾	10,348	11,866	10,819
Environmental Compliance	Permit non-compliance	81	91	99
	Regulatory non-compliance	4	5	3
Reportable Spills ⁽⁴⁾	Number of spills	176	225	218
	Volume of spills (L)	333,887	205,846	539,222
	Weight of spills (kg)	78,008	4,682	56,518
Biodiversity ⁽⁵⁾⁽⁶⁾	Area reclaimed during the current year (ha)	163	84	84
	Area disturbed during the current year (ha)	479	290	–
	Area of land yet to be reclaimed (ha)	19,163	18,943	18,809
	Total area of disturbance to date (ha) ⁽⁷⁾	29,231	28,752	28,462
Waste Management and Recycling ⁽⁸⁾	Hazardous waste sent off-site but not recycled (t)	2,029	1,814	3,469
	Hazardous waste treated/disposed of on-site (t)	15,310	22,998	22,077
	Hazardous waste recycled (t)	22,418	23,085	22,711
	Non-hazardous waste sent off-site but not recycled (t)	1,620	2,583	1,394
	Non-hazardous waste treated/disposed of on-site (t)	115,872	84,400	97,115
	Non-hazardous waste recycled (t)	26,103	26,787	16,740
Water	Groundwater withdrawal (m ³)	22,222,650	21,600,179	21,765,892
	Surface water withdrawal (m ³) ⁽⁹⁾	95,930,389	97,371,510	99,261,187
	Other water withdrawal (m ³) ⁽¹⁰⁾	2,627	1,991	4,089,082
	Total water withdrawal (m ³)	118,155,666	118,973,680	125,097,160
	Total water discharged (m ³) ⁽¹¹⁾	296,458,578	289,267,669	221,528,046
	Water recycled/reused (m ³)	212,185,568	200,838,981	201,783,949
	Water recycled/reused (%) ⁽¹²⁾	180	169	161

- ⁽¹⁾ Data in this table is accurate as of May 16, 2013. 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. As such, to provide comparable data, we have included only the past three years of sustainability performance, since the interpretation of reporting parameters has not changed significantly since 2009. Certain comparative amounts for 2011 and 2010 have been reclassified or restated to conform to the presentation adopted for 2012.
- ⁽²⁾ Our safety statistics include both employees and contractors at all our locations (operations, projects, explorations and offices), including the Antamina mine, in which we have a partial interest. In 2010, we began weighting safety statistics according to Teck's ownership of each operation. We define incidents according to the requirements of the U.S. Department of Labor, 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 the reported data to change from the data recorded in previous years.
- ⁽³⁾ Includes dewatered fine coal refuse from Line Creek Operations and Coal Mountain Operations.
- ⁽⁴⁾ The spill events reported on a volume basis are independent of spill events reported on a mass basis.
- ⁽⁵⁾ This year, we have modified our reporting format for biodiversity to better align with the Global Reporting Initiative protocols and guidance. Historical data has been restated due to improvements in internal guidance to further standardize data across our operations.
- ⁽⁶⁾ The area of land reclaimed during the current year may include land that was previously reclaimed but subsequently disturbed. The area of land disturbed in the current year may include land that was previously reclaimed and has been re-disturbed. The area of land disturbed and not yet 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. The majority of our operations use high-resolution satellite imagery and GIS systems to provide accurate representations of their reclamation areas.
- ⁽⁷⁾ The total area of disturbance to date for 2010 and 2011 was updated this year to include newly available information on both Quebrada Blanca Operations and Carmen de Andacollo Operations. As a result, the data for 2010, 2011 and 2012 are inclusive of all 13 of our operations.
- ⁽⁸⁾ Recycled includes waste diverted from the landfill through recycling, reuse and recovery. Waste sent off-site but not recycled includes waste disposed of at appropriate facilities, landfills and deep-well injections.
- ⁽⁹⁾ A significant portion of the surface water withdrawn is cooling water used by Trail Operations. This water does not come into contact with chemicals or reagents. The only change it undergoes is a slight increase in temperature.
- ⁽¹⁰⁾ Other water withdrawal is water that is not sourced from surface water or groundwater. It can typically include water sourced from a private water supplier, a municipality or the ocean.
- ⁽¹¹⁾ Total water discharge volumes in 2010 at Line Creek Operations has been updated based on the data QA/QC process from the Water Survey of Canada hydrometric station. Total water discharge in 2011 has been updated with Line Creek Operations volumes. They were not included in the 2011 report as data was not available at the time of reporting.
- ⁽¹²⁾ This percentage calculation is based on the total volume of water recycled/reused divided by the total volume of water withdrawal. The GRI formula for calculation of total percentage of water recycled/reused is inconsistently applied within the industry. We continue to work toward standardizing the methodology.
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Independent Assurance Report

To the 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 2012 Sustainability Report (the Report) for the year ended 31 December 2012.

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 the implementation of systems and approaches used to manage the following selected sustainable development risk areas (ICMM Subject Matter 3):
 - Safety and health
 - Energy and climate change
 - Water
 - Community and Indigenous Peoples
 - Biodiversity
 - 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
 - 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
- 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 inquiries of relevant management at 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
- 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 inquiries 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, 2012 has not been prepared, in all material respects, in accordance with the Reporting criteria.

A handwritten signature in cursive script that reads "Deloitte LLP".

Deloitte LLP
Chartered Accountants
Vancouver, BC
May 28, 2013

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, 2012.

Performance measure	2012
Number of fatalities	0
Number of lost-time injuries (LTI)	94
Lost-time injury frequency (LTIF)	0.46
GHG emissions – direct (CO ₂ e kt)	2,889
GHG emissions – indirect (CO ₂ e kt)	294
GHG emissions – total (CO ₂ e kt)	3,183
Groundwater withdrawal (m ³)	22,222,650
Surface water withdrawal (m ³)	95,930,389
Other water withdrawal (m ³)	2,627
Total water withdrawal (m ³)	118,155,666
Area reclaimed during the current year (ha)	163
Total disturbance to date (ha)	29,231
Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples	0

Global Reporting Initiative (GRI) 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 2012 Annual Report, 2013 Annual Information Form and 2013 Management Proxy Circular.

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
Strategy and Analysis					
1.1	Statement from the most senior decision maker.	6–7	●	2, 10	19
1.2	Description of key impacts, risks and opportunities.	6–7, 10–31, 132–140 Annual Information Form: 10–70	●	4	
Organizational Profile					
2.1	Name of the organization.	5 Annual Information Form: 7	●		
2.2	Primary brands, products and/or services.	5 Annual Information Form: 13–16 Annual Report: 2, 10–17	●		
2.3	Operational structure of the organization.	5 Annual Information Form: 7–16	●		
2.4	Location of organization's headquarters.	5 Annual Information Form: 7	●		
2.5	Number of countries where the organization operates.	4–5 Annual Information Form: 8 Annual Report: 4–5	●		
2.6	Nature of ownership and legal form.	Annual Information Form: 7–9	●		
2.7	Markets served.	5, 104–106 Annual Information Form: 7–9, 14–16, 56 Annual Report: 4–5, 39–40, 44, 48	●		
2.8	Scale of the reporting organization.	5, 58–59 Annual Information Form: 13–39, 40, 72–77 Annual Report: 3, 10–17, 33–35	●		
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.	25, 56	●		

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
Report Parameters					
3.1	Reporting period for information provided.	8–9	●		
3.2	Date of most recent previous report.	8–9	●		
3.3	Reporting cycle.	8–9	●		
3.4	Contact point for questions.	9	●		
3.5	Process for defining report content.	8–12	●		
3.6	Boundary of the report.	9	●		
3.7	Limitations on the scope or boundary of the report.	9	●		
3.8	Basis for reporting on other related entities.	9	●		
3.9	Data measurement techniques and the basis of calculations.	9, 108–109	●		
3.10	Explanation of the effect of any restatements.	9, 108–109	●		
3.11	Significant changes from previous reporting periods regarding the scope, boundary, or measurement methods applied in the report.	9, 108–109	●		
3.12	Location of the standard disclosures in the report.	113–121	●		
3.13	External assurance.	110–112	●		
Governance, Commitments and Engagement					
4.1	Governance structure.	30–31 Annual Information Form: 79–86 pages A–1 to A–5 Annual Report: 139–142 Management Proxy Circular: 8–27, 69–71	●	1, 2	1, 20
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	30 Annual Report: 139	●	1	
4.3	How the company defines “independent” and “non-executive” members of the board.	30 Management Proxy Circular: 17–18, 72	●	1	
4.4	Mechanisms for recommendations to the highest governance body.	31 Management Proxy Circular: 69–71	●	1	
4.5	Linkage between compensation and the organization’s performance, including social and environmental performance.	31 Management Proxy Circular: 28–53	●	1, 2	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	27, 30 Management Proxy Circular: 23–24, 76	●	1	10

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
Governance, Commitments and Engagement (continued)					
4.7	Qualifications and expertise of the highest governance body.	31 Management Proxy Circular: 8–14, 20–23	●	1, 2	
4.8	Internally developed statements of mission, values, codes and principles.	14–19, 132–140	●	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.	30–31 Management Proxy Circular: 18–19 The Safety and Sustainability Committee of the Board met 4 times in 2012.	●	1, 4	1, 2, 10, 11, 20
4.10	Processes for evaluating the highest governance body's performance.	31 Management Proxy Circular: 23	●	1	
4.11	Precautionary approaches or principle.	14–31	●		7
4.12	Externally developed charters, principles or initiatives endorsed.	15–17, 129–131	●		9
4.13	Memberships in associations.	15–16, 129–131	●		18
4.14	List of stakeholder groups engaged by the company.	10, 20–21, 42–43, 51, 127–128	●	10	21
4.15	Basis for identification and selection of stakeholders with whom to engage.	20–21, 42–43, 51, 123, 127–128	●	10	21
4.16	Approaches to stakeholder engagement.	10, 20–21, 42–44, 51, 123, 127–128	●	10	21
4.17	Key topics and concerns that have been raised through stakeholder engagement.	10, 20–21, 42–44, 51, 123–124, 127–128	●	10	
Economic Development					
	Disclosure on the management approach, including economic performance, goals, policies and other contextual information.	14–19, 20–21, 32–41, 62, 99, 132–140	●		
EC1	Direct economic value generated and distributed.	34–35 Annual Report	●	9	
EC2	Financial implications and other risks and opportunities due to climate change.	99	●	7	
EC3	Coverage of defined benefit plan obligations.	62 Annual Report: 65, 109–113	●		
EC4	Significant financial assistance received from government.	None.	●		
EC6	Spending on locally based suppliers.	38–39	●	2	
EC7	Local hiring.	40–41	◐	9	6
EC8	Development and impact of infrastructure investments.	35–36	◐	9	

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
Environment					
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	14–19, 23–25, 68–106, 132–140 Annual Report: 6–9, 24–30	●		8 9, 10, 11
EN1	Materials used by weight or volume.	23–24	●	6	8, 9
EN2	Percentage of materials used that are recycled input materials.	Percentage quantification of recycled input materials to new input materials is not a material (significant) 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.	92, 108–109	●	6	8
EN4	Indirect energy consumption by primary source.	92, 108–109	●	6	8
EN5	Energy saved due to conservation and efficiency improvements.	18–19, 96, 100, 138 Energy Goals Dashboard	◐	6, 8	8, 9
EN6	Initiatives to provide energy efficient or renewable energy-based services resulting in reductions in energy requirements.	18–19, 96–97, 138	●		
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	18–19, 96, 138	●		
EN8	Total water withdrawal by source.	74, 108–109	●	6	8
EN10	Percentage and total volume of water recycled and reused.	74–75, 108–109	●	6, 8	8, 9
EN11	Location and size of land adjacent to protected areas and areas of high biodiversity value.	82	◐	7	8
EN12	Significant impacts on protected areas and areas of high biodiversity value.	81–89	●	7	8
EN13	Habitats protected or restored.	70, 83–89	●	7	8
EN14	Strategies for managing impacts on biodiversity.	18–19, 80–89, 137–138	●	7	8
EN16	Total direct and indirect greenhouse gas emissions by weight.	93–94, 108–109, 138	●	6	8
EN17	Other relevant indirect greenhouse gas emissions by weight.	95, 108–109	●	6	9
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	18, 19, 96–97, 99–101, 138	●	6, 8	7, 8, 9

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
Environment (continued)					
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 of the Halon 1301 system. 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.	24–25, 122	●	6	8	
EN21 Total water discharge by quality and destination.	75 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. Improvements in water discharge measurement frequency and accuracy are ongoing at some of our operations.	●	6	8	
EN22 Total weight of waste by type and disposal method.	23–24, 108–109	●	6, 8	8	
EN23 Total number and volume of significant spills.	25, 108–109	●	6	8	
EN26 Mitigation of environmental impacts of products and services.	15–17, 23–27, 102–106 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.	None. 25	●	6	8	
MM1 Amount of land disturbed or rehabilitated.	85, 108–109	●			
MM2 Sites identified as requiring biodiversity management plans, and sites with plans in place.	18–19, 81–82, 137–138	●			
MM3 Total amounts of overburden, rock, tailings and sludge presenting potential hazards.	23–24, 108–109	●			

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria	
Human Rights						
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	14–19, 20–21, 26, 33, 47–48, 65, 132–134	●		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.	The only significant investment agreement for the reporting period was the purchase of all of the outstanding shares of SilverBirch Energy Corporation. Teck already held 50% of the project before the acquisition and we were the operator. As such, a human rights risk assessment was already underway.	●	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.	48, 106	◐	1, 3	1, 2, 3, 4, 5, 6	3
HR4	Incidents of discrimination and actions taken.	26, 42	●	3	1, 2, 6	3, 4
HR5	Operations where the right to exercise freedom of association and collective bargaining may be at significant risk.	48, 65	●	3	1, 2, 3	3, 4
HR6	Operations having significant risk for incidents of child labour.	48	●	3	1, 2, 5	3, 4
HR7	Operations having significant risk for incidents of forced or compulsory labour.	48	●	3	1, 2, 4	3, 4
HR8	Security personnel trained in the organization's policies or procedures concerning human rights.	48	◐		1, 2	3, 4
HR9	Incidents of violations involving rights of Indigenous Peoples.	None. There were no legal actions, formal complaints or instances of non-compliance involving Indigenous Peoples' rights.	●	3	1, 2	3, 4
MM5	Operations in or adjacent to Indigenous Peoples' territories, and formal agreements in place with Indigenous Peoples.	43–46	●			3, 4
Labour Practices and Decent Work						
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	14–19, 52–67, 134–135	●		1, 3, 6	6, 8
LA1	Total workforce.	58–59, 65	●			
LA2	Total number and rate of employee turnover.	63, 125–126	●		6	
LA4	Percentage of employees covered by collective agreements.	65	●	3	1, 3	7, 8
LA5	Minimum notice period(s) regarding operational changes.	65	◐		3	

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
Labour Practices and Decent Work (continued)					
LA7	Rates of injury, occupational diseases, lost days and number of work-related fatalities.	54	●	5	1
LA8	Education, training, counselling, prevention and risk-control programs regarding serious diseases.	57	●	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.	63–64	●		
LA12	Percentage of employees receiving regular performance and career development reviews.	63 Participation in the BSWP program includes an annual performance review.	●		
LA13	Composition of governance bodies and employees according to indicators of diversity.	40–41, 60	●	3	1, 6
LA14	Ratio of basic salary of men to women by employment category.	62 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.	65	●		7
Product Responsibility					
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	14–19, 102–107, 139–140	●		1
PR1	Health and safety impacts of products in their life cycle stages.	104	●	8	1
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products.	None.	●		1
PR3	Product and service information required by procedures.	104–105	●	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 2012. Our Trail Operations, however, made a voluntary disclosure to the Canada Border Services Agency to address a customs non-compliance. In 2012, Teck also made a voluntary disclosure of non-compliance under the New Substances Notification Regulations and has now corrected the situation to the satisfaction of Environment Canada.	●		8

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
Product Responsibility (continued)					
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.	18–19, 102–107, 137–138	●	8	
Society					
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	14–19, 20–21, 26–27, 32–51, 123–124, 132–134	●		10 3, 4, 5, 13, 14, 15, 16, 21
SO1	Impacts of operations on communities.	14–19, 20–21, 33–51, 85, 123–124, 132–134	●	2, 4, 9	15, 16
SO2	Business units analyzed for risks related to corruption.	27	●	1	10 12, 14
SO3	Employees trained in anti-corruption policies and procedures.	26–27	●	1	10 12
SO4	Actions taken in response to incidents of corruption.	None. No incidents occurred. No legal cases were brought against Teck in 2012.	●	1	10 12
SO5	Public policy positions and participation in public policy development and lobbying.	27	●	1	17
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	27	●		
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.	None. For additional information on how we manage our impacts, see pages 20–21, 44–46. For information regarding environmental litigation, see page 119 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.	None. For information on our engagement mechanisms and grievances received, see pages 20–21, 42–46, 124	●		

GRI Indicator	Where to Find: Page(s)	Level of Reporting	ICMM Principle	UNGC Principle	UNGC Advanced Criteria
Society (continued)					
MM8 Artisanal and small-scale mining (ASM).	42, 123–124 ASM takes place at our Carmen de Andacollo Operations and our Relincho resource development project.	●			
MM9 Resettlements.	There were no significant disputes related to resettlement in 2012. We did, however, release a resettlement Social Management and Responsibility at Teck (SMART) tool designed to increase understanding of resettlement processes and ensure alignment with the International Finance Corporation Performance Standard 5, Land Acquisition and Involuntary Resettlement. We are monitoring a potential economic displacement of a community of interest identified during the Social and Economic Impact Assessment for our Quebrada Blanca Phase 2 project. We continue to follow IFC guidelines in engaging with these potentially affected groups.	●			
MM10 Closure plans.	85 All of our operations have made financial provision for closure. For more information, see page 63 and Note 20 in our Annual Report.	●	2, 6		

Appendix A – Data Tables

Environmental Management

Table 20

2012 Emissions to Air by Type (Tonnes)⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾

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	769	66	1.7	47	3.7	0.12	n/m
Carmen de Andacollo	333	42	n/m	n/m	n/m	n/m	n/m
Coal Mountain	692	64	0.05	182	16	0.86	n/m
Duck Pond	16	1.7	0.41	8.8	28	n/m	n/m
Elkview	6,322	487	0.13	209	36	2.38	n/m
Fording River	7,103	566	3.1	357	55	3.59	n/m
Greenhills	2,657	236	10.8	37	48	14.6	n/m
Highland Valley Copper	6,251	2,336	29.9	252	1,020	16.0	0.00
Line Creek	2,464	179	0.17	14	16	1.08	n/m
Quebrada Blanca	11	1.8	268	1,112	4.2	0.52	0.00
Red Dog	228	n/m	1.7	2,821	246	156	0.01
Trail Operations	231	189	4,324	300	65	12.5	0.08

⁽¹⁾ 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.

⁽²⁾ "n/m" stands for not measured.

⁽³⁾ Our Canadian sites report annually to the National Pollutant Release Inventory, and our American sites report annually to the Toxic Release Inventory; both inventories contain information on chemical releases and waste management activities reported annually by certain facilities.

⁽⁴⁾ 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.

⁽⁵⁾ 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.

Community

Table 21

Business-Related Community Investments and Scholarships in 2012⁽¹⁾

Site	Business-Related Community Investments	Scholarships
Carmen de Andacollo Operations	\$ 56,000	\$ 15,000
Coal Operations ⁽²⁾	193,000	9,000
Duck Pond Operations	0	1,000
Highland Valley Copper Operations	7,000	1,000
Quebrada Blanca Operations	14,000	19,000
Red Dog Operations	12,000	64,000
Trail Operations	68,000	6,000
Corporate offices ⁽³⁾	1,328,000	160,000
Projects ⁽⁴⁾	10,000	8,000
Total	\$ 1,688,000	\$ 283,000

⁽¹⁾ Numbers for external reporting have been adjusted to account for Teck's ownership percentage.

⁽²⁾ Coal operations include: Cardinal River, Coal Mountain, Elkview, Greenhills, Fording River and Line Creek.

⁽³⁾ Corporate offices include: Beijing, Calgary, Santiago, Shanghai, Spokane, Toronto and Vancouver.

⁽⁴⁾ Projects include: Frontier, Galore Creek, Mesaba, Quebrada Blanca Phase 2 and Quintette.

Table 22

Impacts on Communities

Actual or Potential Impact on Communities from our Activities	Site	Our Approach to Addressing These Impacts
Cultural: Impacts on local subsistence activities (hunting and gathering) from mine-related activities, including transportation and shipping	Red Dog Operations	A Subsistence Committee, consisting of representatives from Red Dog Operations, local villages and NANA, works to mitigate potential impacts from mining and transportation activities on traditional resources and subsistence living.
Cultural: Impacts on First Nation cultural heritage, such as archeological finds or access to sacred sites due to our exploration activities	Exploration Canada	We conducted collaborative work with the Tahltan Heritage Resources Environmental Assessment Team to identify and undertake studies and training to minimize impacts on cultural heritage and the environment (e.g., archeological chance find procedures training).
Cumulative impacts: Potential impacts on aquatic or human health from elevated selenium levels	Coal operations in the Elk Valley of British Columbia	Ongoing community engagement ranging from public consultation to consulting with communities of interest to develop an Elk Valley Water Quality Plan.
Economic/human rights: Balancing land use and access with the right to a livelihood of artisanal and small-scale mining	Carmen de Andacollo Operations and Relincho resource development project	CdA supports small-scale artisanal miners within its property by working with regional government and local unions to provide lease agreements to the ASMs. Relincho is engaging with miners to assess their need for access to mineral resources on mine property.
Environmental/Economic: Potential impacts, environmental damage and economic loss from a potential tailings dam break	Highland Valley Copper (HVC) Operations	HVC and the nearby town of Spences Bridge set up an emergency response program to ensure a quick and coordinated response to any failure in the tailings dam.
Environmental: Noise and blasting affecting local communities	Carmen de Andacollo (CdA) Operations	CdA has developed a regular blasting schedule that is broadcast over the radio and published in the newspaper to inform local communities of interest.
Social: Impacts on local housing availability, due to the increased number of workers necessary to support project activities	Quintette project	We funded a housing study to lay the foundation for the development of a housing strategy for the District of Tumbler Ridge.

Community (continued)

Figure 17

Feedback Received from Communities of Interest in 2012 by Topic Category

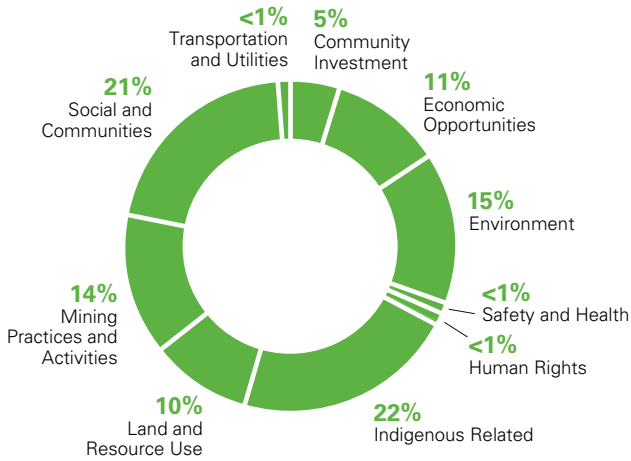
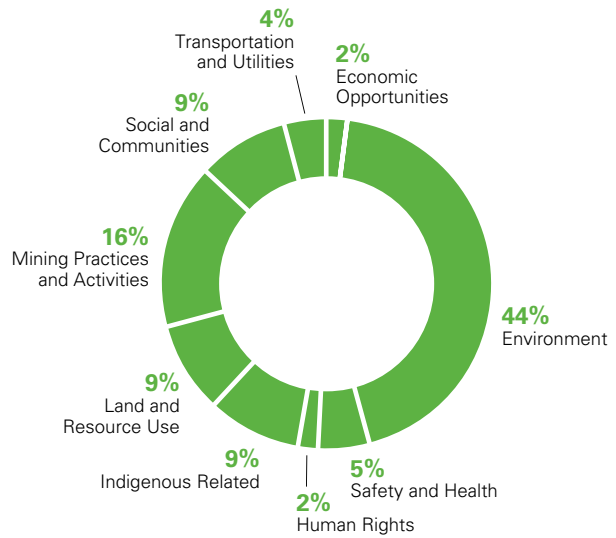


Figure 18

Significant Feedback Received from Communities of Interest in 2012 by Topic Category



Our People

Table 23

Percentage of Women in the Workforce by Site

Business Unit	Site	2012 (%)	2011 (%)	2010 (%)
Coal	Cardinal River Operations	10	9	8
	Coal Mountain Operations	16	15	14
	Elkview Operations	9	9	8
	Fording River Operations	8	9	9
	Greenhills Operations	9	8	8
	Line Creek Operations	8	7	8
Copper	Carmen de Andacollo Operations	13	16	14
	Duck Pond Operations	11	11	10
	Highland Valley Copper Operations	8	8	8
	Quebrada Blanca Operations	5	4	4
Corporate	Global Locations	43	46	47
Energy	Energy Business Unit	35	24	27
Exploration	Global Locations	28	24	21
Technology	Applied Research and Technology Centre	38	40	26
	CESL	40	37	39
	Product Technology Centre	25	26	29
Zinc	Pend Oreille Operations	15	15	14
	Red Dog Operations	11	11	10
	Trail Operations	9	8	7
Company-wide		13	12	11

Our People (continued)

Table 24

Voluntary Turnover Number by Age and Gender (as at 2012 year-end)⁽¹⁾

	Female					Total	Male					Total	Grand Total
	<30	30-39	40-49	50-59	60+		<30	30-39	40-49	50-59	60+		
Canada	13	16	11	12	1	53	61	99	97	89	72	418	471
United States	3	1	0	1	0	5	4	7	11	5	2	29	34
North America	16	17	11	13	1	58	65	106	108	94	74	447	505
Chile	0	7	1	1	0	9	4	29	37	27	3	100	109
Peru	0	0	0	0	0	0	0	0	0	1	0	1	1
South America	0	7	1	1	0	9	4	29	37	28	3	101	110
Other	0	1	0	0	0	1	0	0	1	0	0	1	2
Total	16	25	12	14	1	68	69	135	146	122	77	549	617

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

Table 25

Voluntary Turnover Rate by Age and Gender Percentage (as at 2012 year-end)⁽¹⁾

	Female (%)					Total (%)	Male (%)					Total (%)	Grand Total (%)
	<30	30-39	40-49	50-59	60+		<30	30-39	40-49	50-59	60+		
Canada	9	6	4	5	2	5	7	6	6	4	11	6	6
United States	19	5	0	5	0	6	5	8	11	4	3	6	6
North America	10	6	4	5	2	5	7	6	6	4	11	6	6
Chile	0	7	2	14	0	5	2	6	7	9	6	6	6
Peru	0	0	0	0	0	0	0	0	0	50	0	7	5
South America	0	7	2	14	0	5	2	6	7	9	6	6	6
Other	0	20	0	0	0	10	0	0	6	0	0	2	4
Total	7	6	4	5	2	5	6	6	7	4	10	6	6

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

Our People (continued)

Table 26

Total Turnover Number by Age and Gender (as at 2012 year-end)⁽¹⁾

	Female					Total	Male					Total	Grand Total
	<30	30-39	40-49	50-59	60+		<30	30-39	40-49	50-59	60+		
Canada	14	22	12	16	4	68	62	103	97	137	150	549	617
Mexico	0	0	0	0	0	0	1	0	0	0	0	1	1
United States	5	2	0	2	1	10	16	11	17	15	6	65	75
North America	19	24	12	18	5	78	79	114	114	152	156	615	693
Chile	6	12	2	1	0	21	20	83	97	49	5	254	275
Peru	0	0	0	0	0	0	0	0	0	1	0	1	1
South America	6	12	2	1	0	21	20	83	97	50	5	255	276
Other	1	2	1	0	0	4	0	0	1	1	0	2	6
Total	26	38	15	19	5	103	99	197	212	203	161	872	975

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

Table 27

Total Turnover Rate by Age and Gender Percentage (as at 2012 year-end)⁽¹⁾

	Female (%)					Total (%)	Male (%)					Total (%)	Grand Total (%)
	<30	30-39	40-49	50-59	60+		<30	30-39	40-49	50-59	60+		
Canada	9	8	5	7	9	7	7	6	6	6	24	8	8
Mexico	0	0	0	0	0	0	100	0	0	0	0	10	8
United States	31	11	0	9	14	12	21	12	16	12	10	14	14
North America	11	8	4	7	10	7	8	6	7	6	22	8	8
Chile	13	13	5	14	0	11	8	17	20	17	10	16	16
Peru	0	0	0	0	0	0	0	0	0	50	0	7	5
South America	13	12	5	14	0	11	8	17	19	17	10	16	16
Other	33	40	100	0	0	40	0	0	6	20	0	4	11
Total	12	9	5	7	10	8	8	9	10	7	22	9	9

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

Appendix B – Our Communities of Interest

Below is a table that identifies our communities of interest (COIs), their interests and concerns, and our approach to engaging with them.

COI Group	Description	Interests and Concerns	How We Engage With Them
Academic leaders	These COIs include universities, researchers, students and subject matter experts.	Universities are interested in developing capacity and opportunities for students, as well as conducting associated research. Experts are generally concerned with issues relating to their research and expertise.	We collaborate on business, research and sustainability initiatives, and regularly participate in university recruitment events.
Employees	Please see pages 58–59 for a detailed breakdown of our global workforce.	A broad range of employee concerns and interests include remuneration, safety, positive labour relations, and career development and enhancement.	We engage with employees through a number of ways, including regular performance reviews, the President and CEO’s “Let’s Talk” information sessions with employees, newsletters, focus groups and through our intranet.
Governments and regulatory staff	COIs include government regulators at local, national and international levels.	Governments are interested in a number of different aspects of our operations, including proactive measures (e.g., pollution prevention), meeting regulatory requirements (mainly permits and assessments), policy formation, and working with host governments to disclose payments (as part of the Extractives Industry Transparency Initiative).	We are involved with local, national and international governments and regulatory staff through regular dialogue, meetings, workshops, operation visits and conferences.
Indigenous Peoples	Indigenous Peoples whose lands or traditional territory is located on or adjacent to our operations and associated infrastructure.	In addition to sharing more general community issues and concerns, the protection of Indigenous Peoples’ interests and rights — such as hunting, fishing and gathering — is a priority for them. Other interests include access to benefits, the cultural and spiritual significance of an area, the maintenance of traditional activities and practices, and the stewardship of lands.	We actively pursue the meaningful involvement of Indigenous Peoples at every stage of mineral development. We work to conduct our business in a manner that is respectful of Indigenous Peoples, taking into consideration their rights, interests, concerns and aspirations. Collaborating with Indigenous Peoples results in innovative approaches to working together and achieving positive outcomes.
Industry associations	We are members of commodity-specific associations, sustainability-specific associations and industry sector associations.	Industry association concerns generally relate to issues that affect our sector, from sustainability to commodity- or economic-based topics.	Teck employees with specific expertise are members of related associations such as the International Council on Mining and Metals, the International Zinc Association and the Mining Association of Canada, among others. We participate in council meetings and provide direct input for working groups and task forces.

COI Group	Description	Interests and Concerns	How We Engage With Them
Local communities	These COIs include residents, leaders and members of remote or rural localities and communities in areas where we work.	The impacts and benefits of our operations, and the interests of surrounding communities, are broad and considerable, ranging from financial to social and environmental. Community interests include economics, employment and business creation, environmental safety and health, support for social and community programs, and access to information.	We engage with communities on an ongoing basis to understand, prevent and mitigate our impacts, as well as to ensure long-term benefits for local people and our company. Levels of engagement include community and council meetings, focus groups, performance reports, media communications, workshops, open houses, operation tours, family days, community giving and participation in other company activities.
Non-governmental organizations (NGOs)	Organizations that focus on environmental and social issues at local, regional, national and international levels.	NGOs are predominantly interested in our social and environmental performance, our sustainability values and how we demonstrably act on these values. Some are interested in our human rights record, as well as the commitments and contributions we make as a responsible corporate citizen.	We engage with NGOs through meetings, ongoing dialogue, participation in workshops and programs, and through communication and follow-up on our sustainability report.
Peers and business partners	Customers and business partners (organizations) with whom we have joint ventures. Customers include purchasers of concentrates, refined metals, fertilizers, chemicals, advanced materials, applied technology and equipment marketed by Teck.	Our business partners look for assurance that our management practices include risk mitigation and that our operations are profitable and demonstrate good governance. Customers are primarily concerned with product quality, a secure supply and technical innovation.	We engage with our business partners through joint venture boards and operating committees. As a full-service supplier, we provide in-depth technical support and marketing assistance to our customers. We have research and development centres to support mining, refining and smelting, customer service and product development activities.
Shareholders and potential investors	Made up of shareholders, potential investors and financial analysts.	Shareholders are primarily concerned with our company's financial returns through good performance and governance. Corporate social responsibility is also a concern, as reputational risk can significantly impact financial success. Socially responsible investors also examine environmental, social, governance, safety performance and progress as part of their investment strategy.	We engage with numerous individuals and institutions, often acting as a resource to individual investors to provide basic shareholder information and shareholder services. We provide institutions with publicly available operational/corporate and market information. We hold regular phone calls and meetings with investor groups and respond to reports and questionnaires from investors specifically interested in the sustainability aspects of our business.
Suppliers and contractors	Vendors of materials and services, including energy and transportation.	Suppliers and contractors are primarily interested in continued business relationships.	We consistently work to maintain good relationships and communications with all suppliers.

Appendix C – Our Memberships, External Standards and Commitments

We are members of numerous industry associations and participate in organizations that provide a platform for advancing sustainability. We look to leading organizations for best practices and standards to guide our sustainability performance.

Extractive Industry Associations

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.

Canadian 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.

Extractive Industries Transparency Initiative (EITI)

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 Environment, Health, Safety and Community Management Standards and into the Social Management and Responsibility at Teck (SMART) Exploration tool.

Other Industry Associations

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.

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.

Other

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 their website.

United Nations Global Compact (UNGC)

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.

External Standards and Resources

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.

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 greenhouse gas (GHG) emissions to a “reasonable level of assurance” required for B.C. facilities emitting greater than 25,000 tonnes of carbon dioxide-equivalent (CO₂e) per annum under the provincial *Greenhouse Gas Reduction (Cap and Trade) Act* (GGRCTA) Reporting Regulation. For the 2012 reporting year, our Cardinal River Operations were also required to have their regulatory submission verified to a reasonable level of assurance under Alberta’s regulations (the regulatory requirement had previously been to a limited level of assurance).

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) 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.

International Organization for Standardization (ISO) 14000

The ISO 14000 environmental management standards exist to help organizations manage impacts on air, water or land.

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 Environment, Health, Safety and Community (EHSC) Management Standards.

United Nations Guiding Principles on Business and Human Rights

Endorsed by the United Nations Human Rights Council in 2011, the Guiding Principles on Business and Human Rights (UNGP) 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.

Appendix D – Detailed Goals Dashboards

The table below outlines progress we have made on our short-term 2015 sustainability goals since the release of our goals in 2011 through to the end of 2012⁽¹⁾. For summarized information, see pages 18–19.

Our goals are largely process goals, and some require certain phases to be completed before the next step begins and before progress can be measured and targets can be developed. To report on these process

phases, we have developed indicators and targets for most goals. Whenever possible, we have described progress based on these indicators and targets. In cases where the target or indicator has not yet been established, we will report progress once work in these areas has commenced, and in some cases, we have provided examples of related actions that support progress towards the goal.



Short-Term Goals for Community⁽²⁾

Goal	Status	Performance	Target
1. Establish uniform measures to assess social risk and performance and manage activities.			2015
1a. Completion of social baselines, assessments and risk analyses for advanced exploration sites, resource development projects and operations by 2013.		Up-to-date social baselines existed or are underway at 2 of 5 advanced exploration sites, at 5 of 7 projects and at 4 of 13 operations Began utilizing the SMART Social Risk and Opportunity Assessment, and Social Context tools to establish social baselines at sites Completed social risk assessments at 4 of 7 projects and at 4 of 13 operations Completed social impact assessments at 5 of 7 projects and at 4 of 13 operations	2013
1b. Conduct human rights assessments for all operations by 2014.		Formalized our Human Rights Policy Aligned our site-level Human Rights Assessment tool with the United Nations Guiding Principles on Business and Human Rights and completed pilot assessments at 1 of 7 projects and at 1 of 13 operations	2014
1c. Implement our community-related Environment, Health, Safety and Community Management Standards at all operations by 2014.		Updated EHSC Management Standards and initiated gap assessments	2014
1d. Implement community engagement plans for all sites.		Community engagement plans are in place at 4 of 7 projects and at 2 of 13 operations Commenced development of the SMART Engagement Planning tool Developed and implemented TrackLine, a centralized database for tracking, documenting and reporting on engagement with our communities of interest	2015
1e. Ensure that all mine closure plans include social considerations.		Commenced development of the SMART Social Closure tool	2015

⁽¹⁾In some cases, the wording of the goals has been slightly modified since their initial release in 2011 in order to enhance clarity.

⁽²⁾The scope of the community goals includes the 13 operations where Teck has a majority interest (excludes the Antamina mine, in which we have a 22.5% interest), seven projects (Frontier, Galore Creek, Marten Wheeler, Mesaba, Quebrada Blanca Phase 2, Quintette and Relincho), and five advanced exploration sites (Cirque in Canada, Haib in Namibia, Myrtle in Australia, and Demir and Halilaga in Turkey).



Short-Term Goals for Community (continued)

Goal	Status	Performance	Target
2. Implement policies and frameworks to guide interactions with Indigenous Peoples.			2015
2a. Implement company-wide policies and tools related to working with Indigenous Peoples that consider the United Nations Declaration on the Rights of Indigenous Peoples.		Established a committee to provide guidance for our agreements with Indigenous Peoples	2015
2b. Develop measurable objectives for tracking and reporting on relationships with Indigenous Peoples.		Target to be developed	2015
2c. Set operation-specific objectives for training, employment and procurement opportunities for Indigenous Peoples, where applicable.		Formal Indigenous employment, training and procurement objectives are in place at Red Dog Operations as part of the Teck/NANA agreement Developing guidance documents for procurement and employment initiatives, including related provisions in Impact Benefit Agreements	2015
3. Put processes in place to maximize community benefits and collaboration.			2015
3a. Adopt a community investment framework.		Launched a Community Investment Program, including a community investment policy, reporting framework and guidance	2012
3b. Develop multi-year local, strategic community investment plans at each operation by 2014.		Commenced development of the SMART Community Investment tool Conducted a community investment baseline review at 2 of 5 advanced exploration sites, at 3 of 7 projects and at 8 of 13 operations Implemented a strategic community investment plan at 1 of 13 operations	2014
3c. Implement mechanisms to ensure that communities in our areas of influence have the capacity to engage with us.		Developed the SMART Community Engagement tool Provided financial support that enabled Indigenous communities near our Quintette project to enhance their ability to participate in the regulatory review process	2015
3d. Emphasize local employment and procurement opportunities.		A local supplier development program is in place at 1 of 13 operations Commenced development of the SMART Local Employment and Procurement tool	2015
3e. Implement community feedback mechanisms at each operation.		A community feedback mechanism is in place at 1 of 7 projects and at 7 of 13 operations	2013
3f. Participate in locally appropriate initiatives that contribute to the socio-economic development of communities, consistent with the Millennium Development Goals.		Implemented initiatives consistent with this goal at 6 of 13 operations	2015



Achieved



On Track



Target/Indicator to be Developed



Behind Schedule



Not Achieved



Short-Term Goals for Community (continued)

Goal	Status	Performance	Target
4. Build our internal capacity.			2015
4a. Deliver community dialogue development training to key exploration and operations employees.		Held 8 dialogue training events for 63 employees across Australia, Turkey, Canada and Chile Trained our Community Leadership and Mentorship group in advanced dialogue training 270 employees across Teck have participated in dialogue training since 2009	2015
4b. Deliver SMART toolkit training across operations.		9 English and 8 Spanish SMART tools are now in place Conducted 10 SMART tool-specific workshops as well as SMART Exploration Training for community staff from Australia, Canada/USA and Turkey	2015
4c. Deliver training on Indigenous Peoples' rights and cultural awareness and human rights for communities staff and for key exploration, operations, and management staff.		Completed 5 training sessions for over 100 employees in Indigenous Peoples' rights and cultural awareness	2015



Short-Term Goals for Our People

Goal	Status	Performance	Target
1. Reduce overall total reportable injuries.			2015
1a. Implement subsequent phases of Courageous Safety Leadership (CSL). This includes monthly communications on safety topics and the Visible, Felt Leadership initiative, which engages management and employees in safety discussions.		Achieved the lowest total reportable injury frequency on record at 1.32, a 9% reduction from 2011 Commenced the implementation of CSL Phase III across our operations and continued to implement the Visible, Felt Leadership initiative	2015
1b. Investigate and implement new technological advances (such as simulator- and games-based training and vehicle- and fatigue-monitoring systems).		A range of technologies are in place at a number of sites, including fatigue monitoring systems, collision avoidance systems on shovels, and driver monitoring systems	2015
2. Retain existing employees and skills.			2015
2a. Conduct targeted employee engagement surveys to better understand employee satisfaction, and develop and implement recommendations based on survey results.		Developed an effectiveness survey on our performance management program, Building Strength with People	2015
2b. Fully implement Building Strength with People, a program designed to engage employees and their supervisors in conversations about performance and career development.		Achieved a utilization rate of 76% of salaried employees for the Building Strength with People program	2015
2c. Implement a phased retirement program to facilitate knowledge transfer.		Developed a phased retirement program package for employees	2015
2d. Communicate and implement Teck's values through training and educational programs.		Conducting an assessment of how Teck's values are currently incorporated into training and education programs	2015



Short-Term Goals for Our People (continued)

Goal	Status	Performance	Target
3. Increase employee training and development opportunities.			2015
3a. Develop programs that create cross-training opportunities across disciplines and operations to develop employee skills and experiences.		Reviewing systems and processes to track training needs, time, and costs	2015
3b. Implement an International Assignment policy that encourages employee transfers, which will enhance leadership and skills development.		Implemented 30 international placements Developing an International Assignment Policy	2015
4. Enhance recruitment programs.			2015
4a. Implement systems to enable more efficient and effective recruitment and sharing of job applications across all operations.		Implemented an applicant tracking system across all 13 operations	2015
4b. Conduct research to better understand our employment value proposition with the objective of enhancing and improving our recruitment strategies.		Completed employment value proposition analyses for our Canadian employees, helping us to assess the complete value an employee receives for working with us	2015
4c. Develop a strategy to go beyond our traditional recruiting profile to find and attract a more diversified workforce population to our company. This may include women and Indigenous Peoples as target demographics.		Increased the percentage of women in operational and technical roles from 4.5% to 5.6% in 2012 Developing training programs to target groups that are typically underrepresented in the mining industry Assessing opportunities to improve facilities and safety equipment to better accommodate women	2015
5. Embed sustainability principles throughout our company and ensure that they are routinely considered in decision-making.			2015
5a. Integrate sustainability training into existing leadership development programs.		Designing sustainability content for our leadership programs	2015
5b. Integrate social and environmental considerations into individual employees' performance objective setting.		Utilized our performance management system to track and report on employees' sustainability objectives	2015
5c. Communicate sustainability principles to employees and potential new employees to enhance their awareness and involvement in sustainability.		Communicated our sustainability strategy and goals by distributing a booklet to all employees Creating an intranet site for internal engagement and idea sharing on sustainability Held a company-wide conference focused on sustainability	2015
5d. Enhance our culture of giving back to the community by encouraging involvement in employee-led community investment programs.		Provided over \$800,000 to organizations that were supported by personal donations and fundraising efforts by our employees in 2012	2015



Achieved



On Track



Target/Indicator to be Developed



Behind Schedule



Not Achieved



Short-Term Goals for Water⁽³⁾

Goal	Status	Performance	Target
1. Establish baseline for water use intensity and water quality at all current operations by 2013.			2013
1a. Establish water management teams.		Established water management teams at 10 of 12 operations	2013
1b. Enhance existing flows monitoring systems.		Completed an initial review and enhancement of existing flow monitoring systems at all 12 operations	2013
1c. Establish water baseline and report on water quantity and quality.		Continued to collect water quantity and quality data at all 12 operations	2013
2. Implement Teck's Water Management Standard by 2013.			2013
2a. Complete the integration of water into our existing Environment, Health, Safety and Community assurance programs.		Revised the Water Management Standard	2013
2b. Complete water risk and opportunity workshops.		Completed water risk and opportunity workshops at 8 of 12 operations	2013
2c. Update water balances.		Developed a plan to update water balances at all 12 operations during 2013	2013
2d. Develop comprehensive water management plans.		Developed a plan to complete water management plans at all 12 operations during 2013	2013
2e. Pursue opportunities to work with communities of interest to address broader community water issues.		Continued to engage with communities of interest on water and to pursue partnerships with water-focused organizations	2015
3. Implement measures to achieve operation-specific targets for improvements in water use intensity and water quality.			2015
3a. Set operation-specific targets for water use intensity and water quality at all current operations by 2013.		Developed a plan to update water balances and to complete water management plans that will inform target setting for water use intensity and water quality	2013
3b. Develop operation-specific initiatives to meet water use intensity and water quality targets.		Actions will commence following the development of operation-specific targets (sub-goal 3a above)	2015
3c. Achieve operation-specific key performance indicators on water use intensity and water quality targets.		Actions will commence following the development of operation-specific targets (sub-goal 3a above)	2015

⁽³⁾The scope of the water goals includes the 12 active operations where Teck has a majority interest, and excludes Pend Oreille Operations, which is in care and maintenance, and the Antamina mine, in which we have a 22.5% interest.



Short-Term Goals for Biodiversity⁽⁴⁾

Goal	Status	Performance	Target
1. Develop comprehensive biodiversity 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.			2015
1a. Define data requirements and measurement methods for biodiversity monitoring at operations, projects and exploration sites.		Developed guidance for baseline data collection and risk/impact identification, to inform the development of biodiversity management plans	2012
1b. Conduct inventory baseline biodiversity at each operation through a systematic data collection program.		Completed a biodiversity prioritization and scan at all 12 operations and 4 projects, generating an initial list of priority biodiversity features and specific items of interest for each site	2013
1c. Identify and evaluate operational practices to avoid and mitigate potential biodiversity impacts (such as land disturbances, air/dust emissions and water utilization).		Actions to identify and address gaps in current practices will commence following the development of inventory baselines (sub-goal 1b above)	2015
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.			2015
2a. Engage with communities of interest to prioritize offset projects.		Continued collaborating with COIs on biodiversity initiatives and began identifying potential offset projects as we develop biodiversity management plans for each of our operations	2015
2b. Expand on collaborations with Indigenous Peoples, communities, governments and non-government organizations on biodiversity and ecosystem conservation opportunities.		Continued collaborating with COIs on biodiversity conservation opportunities Partnered with the Nature Conservancy of Canada towards the conservation of a 127-hectare area of valuable ecological and cultural land located in southeast British Columbia	2015
3. Enhance our contributions to biodiversity conservation knowledge.			2015
3a. Invest in research and partnerships at a pace that is commensurate with the growth of our company.		Continued investing in biodiversity research and partnerships Partnered with the Vancouver Aquarium in support of research, conservation and education programs related to water and aquatic life in areas near our operations	2015

⁽⁴⁾The scope of the biodiversity goals includes the 12 active operations where Teck has a majority interest and four projects (Frontier, Galore Creek, Quintette and Relincho), and excludes Pend Oreille Operations, which is in care and maintenance, and the Antamina mine, in which we have a 22.5% interest.



Achieved



On Track



Target/Indicator to be Developed



Behind Schedule



Not Achieved



Short-Term Goals for Biodiversity (continued)

Goal	Status	Performance	Target
4. Identify and implement biodiversity improvement and conservation opportunities that would seek to create a net positive impact in our areas of influence.			2015
4a. Continue to assess and implement the full closure and rehabilitation of our dormant mine properties on a prioritized basis.		Continued our existing closure and rehabilitation programs Completed the three-year, \$22 million remediation program at the former Pinchi Lake mine in British Columbia	2015
4b. Identify potential opportunities and partners to contribute to the rehabilitation of ecosystems and biodiversity in our areas of influence.		Continued working with local groups to preserve and enhance ecosystems, including wetlands, in the Trail area	2015



Short-Term Goals for Energy

Goal	Status	Performance	Target
1. Reduce energy consumption at existing operations by 1,000 terajoules.		Implemented projects that resulted in energy reductions of over 200 TJ as compared to our business-as-usual projections	2015
2. Reduce greenhouse gas (GHG) emissions at existing operations by 75 kilotonnes of carbon dioxide-equivalent (CO₂e) emissions.		Implemented projects that resulted in GHG reductions of over 50 kilotonnes of CO ₂ e emissions as compared to our business-as-usual projections	2015
3. Commit to 30 megawatts (MW) of alternative (non-carbon-emitting) energy generation.		Achieved 10 MW of alternative generation through our interest in the Wintering Hills Wind Power Facility	2015
4. Carry out the following on our new projects:			2015
4a. Conduct an analysis of currently available energy sources and evaluate opportunities to develop new energy sources.		Preliminary evaluations have been conducted for some projects; a more systematic process will be implemented for future evaluations	2015
4b. Complete comprehensive project energy maps to facilitate design options, identify opportunities, and determine incremental capital and operating costs for energy reduction projects.		Identifying expert resources that can assist with energy mapping	2015
4c. Based on best practices, establish energy design criteria.		Reporting to commence in the future	2015



Short-Term Goals for Materials Stewardship

Goal	Status	Performance	Target
1. Conduct life cycle assessments of key products.			2015
1a. Develop a materials stewardship framework and programs that include concentrates, intermediate products, products, byproducts and coal.		Revised the materials stewardship framework to include all products, including coal, concentrates and intermediates Started a Materials Stewardship Compliance Registry for Trail Operations	2015
1b. Analyze and develop an understanding of key aspects of our products, including utility, use and value, potential hazards and risks, end of use, end of life, and the value of recycling or reusing our products.		Completed a life cycle assessment of zinc concentrate from Red Dog Operations	2015
1c. Develop metrics and scorecards on our materials stewardship performance.		Benchmarking to be conducted	2015
2. Promote effective, efficient and economic metals use and recycling in the mining industry through our technology and know-how.			2015
2a. Establish new recycling programs and enhance existing programs at select operations and share best practices throughout the company.		Conducted an initial inventory of current practices to recycle metal (including scrap metal) and domestic materials (e.g., paper, glass, compost, tires) at sites	2015
2b. Build on our recycling experience at our Trail Operations (with lead, electronic materials, germanium and indium) to develop appropriate new recycling streams to supplement our primary metal and mineral businesses.		Continued to recycle electronic waste and to assess other recycling opportunities at Trail Operations	2015
2c. Develop engagement programs with governments, downstream manufacturers, recyclers and users of our products to demonstrate effective and efficient use and recycling of metals in the mining industry.		Continued to engage with government and industry to promote recycling efforts, particularly for electronic waste	2015
3. Use our materials stewardship activities to enhance our customers' use of our key products and services.			2015
3a. Further develop relationships with users of minerals and metals to understand their stewardship requirements as they relate to our products.		Engaged with users of minerals and metals to understand their stewardship requirements as they relate to our products Continued to enhance our protocols for evaluating customers and potential customers in order to help ensure that our products are responsibly managed and used	2015
3b. Implement a system to analyze the activities of our primary material suppliers and then work with those suppliers with acceptable human rights, labour, health and safety, and environmental practices, with the aim of improving the quality of our supply chain.		Released Recommended Protocols for Suppliers and Service Providers and developed an internal guidance document	2013



Achieved



On Track



Target/Indicator to be Developed



Behind Schedule



Not Achieved



Short-Term Goals for Materials Stewardship (continued)

Goal	Status	Performance	Target
4. Communicate materials stewardship throughout our company and in our business dealings with our customers, primary feed material suppliers and governments.			2015
4a. Educate our employees on materials stewardship as a way to reduce cost and improve market access.		Developing internal communications on materials stewardship	2015
4b. Establish positions on key committees and in leading industry association groups to effect regulatory change.		Continued to engage with industry associations and consortia regarding domestic and international regulatory issues in the area of materials stewardship, including participation in the: <ul style="list-style-type: none"> • International Council on Mining and Metals materials stewardship committees • United Nations Minamita Convention on mercury • World Ocean Council 	2015



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 activities occupy a spectrum from small informal subsistence activities through to organized small commercial mining activities. Globally, ASM is believed to provide a livelihood for over 100 million people, almost all of whom live in developing countries.

Biodiversity: An abbreviation for “biological diversity”, biodiversity refers to the variety of life on earth: the different animals, plants and microorganisms, 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 (CO₂e): 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 pages 127–128 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.

Environment, Health, Safety and Community (EHSC) Management Standards: A set of standards that provide a consistent and systematic framework for identifying EHSC issues and helps ensure that EHSC risks are properly and efficiently managed.

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 (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

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.

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 environment, health, safety 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 (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 Health Policy: Our company policy that fortifies a corporate commitment to providing leadership and resources for entrenching core values of safety and health.

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 and Environmental Impact Assessment

(SEIA): An input to decision-making that seeks to evaluate the significant issues associated with a proposed undertaking (e.g., a resource development project) in order to predict and assess its likely positive and negative impacts. Depending on the scope of the SEIA, the examination of issues may extend to cumulative, trans-boundary, or global impacts, as appropriate. Impact assessment typically includes establishing baseline data, analysis of alternatives and determination of a management program to mitigate predicted impacts.

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.

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 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, 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 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.

For 100 years, generations of our employees have worked to build a leading resource company, committed to sustainability and responsible development. Looking ahead, we will continue to provide the products needed to build a better quality of life in communities around the world.

Looking Forward
To The Next 100 Years

