

September 20, 2018

Dear UN Global Compact Office,

I am please to renew our ongoing support and endorsement of the CEO Water Manadate and commit Teck Resources Limited (Teck) to continue implementing a comprehensive approach to water stewardship that incorporates the six core elements of the CEO Water Mandate and publicly report our progress annually.

Please find attached two reports that describe our progress on the implementation of the six core elements of the CEO Water Mandate:

- The water section of our most recent Sustainability Report: Our Sustainability Report presents our sustainability performance and reports on all our sustainability focus areas, including water. The full report can be obtained from our website at: <u>www.tecksustainability.com/</u>.
- Teck's 2018 CDP Water submission: The CDP water submission provides investors with information on how Teck identifies, manages and mitigates risks and opportunities related to water.

At Teck, our approach to water stewardship is strongly connected to and defined by our commitment to sustainability. We believe sustainability is fundamental to our long-term success and we remain committed to meeting our sustainability goals and implementing the six core elements of the CEO Water Mandate.

Sincerely

Donald R. Lindsay President & CEO Teck Resources Limited

Horizons 2017 Sustainability Report





About This Report

Teck's 2017 Sustainability Report marks our 17th year of annual reporting on the economic, social and environmental topics that are most material to our stakeholders and to our business. Available in English and Spanish, our report is in Core accordance with the Global Reporting Initiative (GRI) Standards and G4 Mining and Metals Sector Disclosures, and is aligned with the principles of integrated reporting. Our <u>2017 Annual Report</u> provides further detail on our financial and operational performance.

This report contains a comprehensive overview of our sustainability strategy, including a summary of progress towards achieving our short-term goals to 2020 in the areas of Community, Water, Our People, Biodiversity, Energy and Climate Change, and Air. This report also describes how sustainability is integrated into identifying and managing risks and opportunities in the course of our business activities. Written for a range of audiences, from investors to industry peers to residents near our operations, this report is focused on providing balanced and relevant information.

This report has been reviewed and approved by Teck's senior management team and Board of Directors.

Assurance

PricewaterhouseCoopers LLP independently reviewed our application of the GRI Standards and the alignment of our practices with the International Council on Mining and Metals (ICMM) 10 Principles, guided by the ICMM Assurance Procedure. See pages 99–101 for their assurance letter. PricewaterhouseCoopers LLP is also Teck's independent auditor.

Learn More

In an effort to make our report more concise and reader-friendly, additional information about our approach to managing various sustainability topics is available on <u>our website</u> at www.teck. com/responsibility. Content such as our GRI Index and Glossary is also available online. See Methodology and Restatements on page 98 for information about our reporting scope.

Contact

If you have any questions about this report, email us at <u>sustainability@teck.com</u> or contact Katie Fedosenko, Senior Communications and Reporting Specialist, at <u>katie.fedosenko@teck.com</u>.

Approach to Business and Sustainability Managing Sustainability in Our Value Chain Engaging with Stakeholders and Indigenous Peoples

Material Topics

Methodology, Restatements and Assurance

A Conversation with Marcia Smith Senior Vice President, Sustainability and External Affairs

Why is sustainability important for Teck?

Mining is a transformative business, which gives us the ability as individuals and as a company to change our world for the better. The materials we produce – copper, zinc, steelmaking coal and energy – are the building blocks of society, and contribute to a better quality of life for people around the world. For us, strong sustainability performance means responsibly producing these materials while also being good neighbours in the communities near our operations. It means taking care of the land and natural resources around us. And, it means doing our part to make the world a better place because that's important to all of us. That is why sustainability is a core value at Teck—it is fundamental to everything we do.

What is Teck's approach to managing sustainability risks and opportunities?

We focus on six critical topics: Community, Water, Our People, Biodiversity, Energy and Climate Change and Air. For each area, we've established goals that we want to reach in five years, and we've set out a longer-term vision that we want to achieve by 2030. This keeps us focused and motivated, and gives us the ability to keep track of how we are doing and to report on our progress to others.

What are some of the major sustainability issues that Teck was focused on in the past year?

Around the world, the biggest issue is how to have a strong economy that produces less carbon pollution. This is an important challenge for the mining industry and for Teck. We are constantly looking for ways to do things differently to make our business more energy efficient and to use cleaner sources of energy. We're also very focused on responsible use of water and strengthening our relationships with Indigenous Peoples. We listen carefully to the concerns of others and always look to improve how we operate.

What is Teck doing to fight climate change?

We're a big source of GHG emissions and we see plenty of opportunity to build on the 9% emissions reduction we have achieved since 2011. Probably the greatest impact we could see in the near-to-medium term would come from the development of zero emission mining equipment to substantially reduce or even eliminate our use of diesel fuels. In the meantime, we are proud to operate in regions, such as B.C., where we are able to source more than 90% of our electricity from renewables. Over half of our operations are in jurisdictions where carbon emissions are taxed, which we support. Taxing carbon emissions acts as an incentive for companies like ours to find ways to reduce the amount of carbon we emit. We support a lot of policy work with governments in this area-and we're working to keep them focused on the fact that change needs to happen in competing jurisdictions at the same time. Otherwise, the result will be that those operations paying the taxes become less competitive than their peers, jobs will be lost locally and the emissions will occur in jurisdictions that don't pay carbon taxes.





Marcia Smith Senior Vice President, Sustainability and External Affairs Vancouver, B.C., Canada April 26, 2018

Water stewardship is another major global challenge. What is Teck's approach to water?

Access to water is a human right. People need it to live. Farmers need it to produce food to sustain life. The planet needs water for survival. Companies' use of water, including ours, needs to embrace these principles.

Water issues at our sites vary. In Chile, water is scarce and people are concerned about how much water is needed for mining operations and where the water comes from. We're currently working on our Quebrada Blanca Phase 2 project where the plan is to build a desalination plant so we can use seawater rather than freshwater that can be used for other purposes.

In other parts of our business—at our steelmaking coal sites for example—our neighbors want to know that we are protecting water quality. We're putting a lot of time and resources into studying and improving our approach to make sure the health of our shared watersheds is maintained.

How is Teck working to advance relationships with Indigenous Communities?

The United Nations has adopted the Declaration on the Rights of Indigenous Peoples. It includes specific reference to the free, prior and informed consent of Indigenous Peoples as a pre-requisite for activities of companies like ours, and we embrace this as outlined in our Indigenous Peoples Policy.

We have agreements with Indigenous Peoples at all our mining operations that are within or adjacent to their territories. This requires us to maintain and develop skills and processes that in the past wouldn't have been part of how a mining business is run. There is no doubt in our minds that this is the right direction.

A Conversation with Marcia Smith Senior Vice President, Sustainability and External Affairs (continued)

We view Indigenous People as partners in responsible resource development. We don't look at engagement with Indigenous communities as a cost, a burden or something else we have to do. Indigenous Peoples are active partners in our industry and play a key role in our future success. According to the Canadian Council for Aboriginal Business, Indigenous businesses contribute more than \$12 billion to the Canadian economy, including working with our operations as suppliers and contractors.

What is Teck doing to promote inclusion and diversity in your workforce?

As a woman in a business traditionally dominated by men, I am a big believer in the value of having different experiences and perspectives around the decision-making table. More diverse inputs simply make for more informed outputs and, we believe, better outcomes. In 2017, women comprised 29% of our total hires. While this is step forward, women still make up only 17% of our workforce. We know there is much more work to be done. We've been retooling our recruitment practices, training managers in subjects like unconscious bias, and making a concerted effort to have more Indigenous Peoples join our company and help shape our thinking for the future.

What is next for sustainability at Teck?

Technology and innovation is poised to reshape nearly every aspect of our industry and sustainability is no exception. New ideas, new tools and new techniques have the potential to dramatically improve our sustainability performance. Ideas like zero emission haul trucks, and using natural processes to treat water and electrostatic fields to eliminate dust, are no longer fiction. All of these ideas, and more, are under active development at Teck. By embracing technology and innovation, and bringing these ideas to life, we intend to drive step changes in our sustainability performance.

Recognition in 2017

- Named to the Dow Jones Sustainability World Index for the 8th straight year
- Listed on the Euronext Vigeo World 120 Index

Dow Jones Sustainability Indices

- Named to the Bloomberg Gender Equality Index
- Ranked on the Corporate Knights Best 50 for the 11th straight year
- Canada's Top 100 Employers by Mediacorp.
- Canada's Most Admired Corporate
 Cultures by Waterstone Human Capital
- CN EcoConnexions Award in recognition
 of railway carbon emissions reduction
- Global Compact Network Canada Gender Equality Award













 2017 Towards Sustainable Mining (TSM) Leadership Awards from the Mining Association of Canada for Cardinal River, Greenhills and Trail operations



- Hardrock Mineral Environmental Award by the U.S. Bureau of Land Management for our closed McCracken mine
- Responsible Business Award for Sustainability Report of the Year by Ethical Corporation
- CPA Canada Award of Excellence in Sustainability Reporting and Platinum Award for Financial Reporting, Corporate Governance Disclosures and Electronic Disclosure
- Finance and Sustainability Initiative Award for Best Sustainability Report
- Listed on the MSCI World ESG Leaders Index









Who We Are, Where We Operate and How Our Products Are Used

Teck is a diversified resource company committed to responsible mining and mineral development with business units focused on steelmaking coal, copper, zinc and energy. Headquartered in Vancouver, British Columbia (B.C.), Canada, we own or have an interest in 12 operating mines, one large metallurgical complex, and several major development projects in Canada, the United States, Chile and Peru. We have expertise across a wide range of activities related to exploration, development, mining and minerals processing, including smelting and refining, safety, environmental protection, risk management, materials stewardship, recycling and research.





Steelmaking Coal

We are the world's second-largest seaborne exporter of steelmaking coal, with six operations in Western Canada with significant high-quality steelmaking coal reserves.

How is it used?

Steelmaking coal is an essential ingredient in the primary production of steel. Also called metallurgical or coking coal, it is necessary for building infrastructure, such as rail, bridges and schools, and for improving the quality of life for people around the world. Steel, and the steelmaking coal used to make it, is also required for everything from clean energy projects like wind or solar power to transportation alternatives like rapid transit, buses and hybrid vehicles.

Copper

We are a significant copper producer in the Americas, with four operating mines in Canada, Chile and Peru, and copper development projects in North and South America.

How is it used?

Copper plays an important role in meeting the world's growing demand for infrastructure and is a vital component in power generation and transmission, construction, clean technology and electronics. The next generation of electric cars requires four times as much copper as the internal combustion cars of the past. A single car can require nearly 6 kilometres of copper wiring, and demand for electric cars is predicted to rise dramatically. Approach to Business and Sustainability Material Topics

Methodology, Restatements and Assurance



Zinc

We are one of the world's largest producers of mined zinc, and operate one of the world's largest fully integrated zinc and lead smelting and refining facilities.

How is it used?

Zinc protects steel by improving its durability. The primary uses of zinc are for galvanizing steel to protect against weather and corrosion, for producing brass and bronze, and in die-casting to produce a wide range of metal products. Zinc can also increase crop yields and crop quality. And it is an essential nutrient in human development and disease prevention.

Energy

We have an interest in a large producing oil sands mining and processing operation in Alberta, as well as oil sands development assets.

How is it used?

Energy is essential to our lives. We all rely on energy to keep the lights on, to get to work, and to heat or cool our homes. As populations around the globe — particularly in developing nations — grow and become increasingly urbanized, the demand for energy is increasing.

7

Approach to Business and Sustainability

Our corporate strategy is focused on exploring for, developing, acquiring and operating worldclass, long-life assets in stable jurisdictions that operate through multiple commodity price cycles. We maximize productivity and efficiency at our existing operations, aim to maintain a strong balance sheet, and are nimble in recognizing and acting on opportunities. In everything we do, Teck is led by our values of safety, sustainability, integrity, respect, excellence and courage.

The success of our business depends on our ability to create value in a way that meets the needs of the company, our shareholders, communities and stakeholders while accounting for the broader environmental, social and economic context in which Teck operates. This requires us to understand the evolving global environment and to take an integrated approach to identifying, prioritizing and managing sustainability risks and opportunities. As represented in Figure 1 below, each of our operations affects and is affected by communities, economies and environments. Each operation has three major phases: exploration and project development, operation (which includes mining and processing, sales and transportation), and closure and reclamation. Sustainability is foundational throughout the phases of the mining life cycle:

Figure 1: Sustainability During the Mining Life Cycle

Leadership:

Our Board of Directors, senior management and General Managers set the direction for our approach to business and sustainability.

Evaluation:

The context in which we operate is constantly changing. We evaluate and respond to these changes and update activities accordingly.



Strategy:

Our path forward, including our goals, objectives and commitments, is articulated in company-wide strategies, charters and policies.

Implementation:

Sustainability is operationalized across our business through the implementation of our strategy, management standards, governance and audits. Appro and S

Approach to Business and Sustainability Managing Sustainability in Our Value Chain Engaging with Stakeholders and Indigenous Peoples

Material Topics

Methodology, Restatements and Assurance

Board and Executive Leadership in Sustainability

Our Board of Directors is responsible for the stewardship of our company and ensures that appropriate corporate governance structures and systems are in place. Our key governance practices are described in detail in our <u>Management Proxy Circular</u>.

The Safety and Sustainability Committee of the Board assists the Board in overseeing health, safety and sustainability policies, systems, performance and auditing, including our Health, Safety, Environment and Community (HSEC) Management Standards. The Safety and Sustainability Committee met four times in 2017. As with each Board committee, our governance procedures require that we evaluate the effectiveness of the performance of the Safety and Sustainability Committee on an annual basis. A selfassessment was completed and recommendations were implemented, such as increased direct engagement with operations and providing further detail about the status of community relations practices at our sites.

Enhancing Board Knowledge of Sustainability

The Board works to enhance its understanding of economic, environmental and social topics at regular meetings, strategy sessions and site visits. For example, we hosted external speakers on the current global economic climate for our Board and held special presentations for the Safety and Sustainability Committee, including presentations on the following topics in 2017: Teck's sustainability strategy, Indigenous agreements, mine closure, legacy properties, permitting, tailings management, water quality, climate change, climate action strategies and carbon pricing, safety, occupational health and hygiene, political environments and updates on regulatory developments in the areas where we operate.

Board Diversity, Qualifications and Expertise

The Corporate Governance and Nominating Committee believes that a Board with directors from diverse backgrounds with different experiences benefits the company by enabling the Board to consider issues from a variety of perspectives. When assessing potential candidates for nomination to the Board, corporate governance, corporate responsibility and sustainable development experience are part of the selection criteria for Board members. The Board also considers gender, ethnicity and national origin in addition to business skills, qualifications and career history when assessing potential candidates. Please view our <u>Management Proxy Circular</u>, pages 27–29, for further details on the qualifications, experience and diversity practices of Teck's Board.

Executive Sustainability Management Committees

As summarized in Figure 2, the following management committees are responsible for overseeing the management of sustainability issues:

- The Health, Safety, Environment and Community Risk Management Committee (HSEC RMC), chaired by the CEO, is responsible for providing oversight and direction to ensure continual improvement in sustainability performance as well as the implementation of appropriate processes and policies across the company. Key topics reviewed by this committee include: health and safety, environmental management and regulations, air quality, energy and climate change, community engagement and social management, HSEC assurance, sustainability strategy and disclosure, Indigenous affairs and agreements, human rights, and water stewardship.
- The Health and Safety Advisory Committee evaluates and informs health and safety policy change and initiative planning and provides additional oversight of performance. It is chaired by the Vice President, Health and Safety.
- The Materials Stewardship Committee is responsible for understanding our products' risks and impacts, making recommendations on new product applications, managing packaging requirements, monitoring product regulations and issues, monitoring our customers' use of our products, supply chain risk management, and establishing policies and procedures related to materials stewardship. This committee is chaired by the Vice President, Risk and Security.
- The Indigenous Affairs Steering Committee approves policy and mandates for the negotiation of agreements with Indigenous Peoples, and provides oversight and direction for the negotiation and implementation of agreements with Indigenous groups. This is a senior management committee that is chaired by the Senior Vice President, Sustainability and External Affairs.
- The Community Investment Committee oversees our community investment program to ensure that contributions are made in a manner that benefits our communities of interest, and that contributions are aligned with our business objectives. The committee sets community investment policies and reviews major funding requests. It is chaired by the Senior Vice President, Sustainability and External Affairs.
- **The Diversity Committee** oversees our diversity-related initiatives. This is a senior management committee that is chaired by the Vice President, Human Resources.

Figure 2: Sustainability Management Structure



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

- Vice President, Community and Government Relations: leads the corporate sustainability strategy and activities related to social responsibility, community engagement, government relations and Indigenous affairs
- Vice President, Environment: leads the corporate sustainability strategy along with the VP Community and Government Relations and oversees compliance with environmental standards for projects, operations and our legacy properties, and regularly reviews environmental performance risks and strategic issues, including tailings, biodiversity, water, air, and energy and climate change
- Vice President, Health and Safety: provides strategic guidance in the development of a culture of safety, and

assists with the development and monitoring of health and safety strategies

 Vice President, Corporate Affairs: is responsible for managing the company's public affairs, sustainability reporting, brand management and employee communications

Our senior management team is responsible for overseeing our sustainability strategy, including goal development and progress against our goals. We also have a dedicated corporate team of nearly 80 Teck employees whose primary job responsibilities are focused on providing senior oversight on our collective efforts on environmental, social and community issues.

General Managers are accountable for implementing HSEC Management Standards at their operation, for conformance with and certification under the International Organization for Standardization ISO 14001 standard where applicable, and for continual progress towards annual HSEC targets, including our sustainability goals. Each General Manager reports to either a Vice President or the Senior Vice President of his or her respective business unit.

Approach to Business and Sustainability

Managing Sustainability in Our Value Chain

Engaging with Stakeholders and Indiaenous Peoples

Material Topics

Methodology, Restatements and Assurance

Sustainability Strategy and Commitments

Sustainability is embedded in our operational practices. Although there were many examples of environmental stewardship, health and safety initiatives, and community engagement throughout our history, in 2009 we established a cross-functional group to develop a coordinated approach to sustainability, culminating in the launch of our sustainability strategy in 2011.

Our sustainability strategy sets short-term goals to 2020 and long-term goals to 2030 in six focus areas representing the most significant sustainability issues and opportunities facing our company: Community, Water, Our People, Biodiversity, Energy and Climate Change, and Air. A focus area is a topic that has a material impact on our business and communities of interest, represents an area of significant opportunity and/or risk, and requires company-wide focus and engagement.

Our strategy is integrated into decision-making by embedding it into management standards, into remuneration and into corporate, site and employee annual plans and objectives. Corporate, site and employee objective-setting and evaluation processes are updated to reflect the broader performance objectives set out in our strategy to align priorities at all levels of the company.

Throughout the year, our senior management team and the Safety and Sustainability Committee of the Board review performance against our sustainability strategy and approve future actions. As we move forward, we are focused on achieving our sustainability goals while managing emerging risks and embracing opportunities that increase our competitiveness and contribution to sustainable development.

Internal Commitments

The sustainability strategy is supported by our company-wide commitments as outlined in the following policy documents:

- · Code of Sustainable Conduct
- Code of Ethics
- Anti-Corruption Policy
- Health and Safety Policy
- Human Rights Policy
- Indigenous Peoples Policy
- Inclusion and Diversity Policy
- Water Policy
- Expectations for Suppliers and Contractors

External Commitments

We take into consideration external standards and best practices in our governance of sustainability. Through our membership and involvement with several external organizations, we are able to contribute to and engage with others on the development of best practice in areas of sustainability performance and global sustainability trends. Three of our key memberships that help to drive our performance and management of sustainability are outlined below. A full list of Teck's memberships and partnerships related to sustainability is available on our website.

International Council on Mining and Metals (ICMM):

ICMM is a global industry association that represents leading international mining and metals companies. As an ICMM member, we are required to implement the ICMM 10 Principles and position statements on sustainability practices, to produce an externally verified sustainability report using Global Reporting Initiative (GRI) Standards and to implement the ICMM Assurance Procedure, which is a third-party verification process to verify that Teck meets the member requirements.

Mining Association of Canada (MAC) – Towards

Sustainable Mining (TSM): 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 selfassessments at our operations and are subject to third-party verification of our self-assessments in accordance with TSM standards for social and environmental responsibility.

International Organization for Standardization (ISO):

The ISO 14001 environmental management standards exist to help organizations manage environmental impacts. Currently, 10 of our 12 operations are certified under ISO 14001.

Key activities in 2017 related to our memberships and partnerships included:

- · Engaging with ICMM on a variety of topics, including their new water and tailings management position statements, health and safety, GHG emissions reductions, and providing feedback on new sustainability standards to the Global Reporting Initiative and the CDP.
- **Engaging with MAC** with a focus on chairing the Tailings Working Group, contributing to revisions of the TSM Tailings Protocol, working with the MAC Aboriginal Affairs Committee on the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), participating in the development of the TSM Preventing Child and Forced Labour Protocol and Water Protocol, engaging with the Canadian government on carbon pricing policies, and contributing to the Science and Environment Committee's input to Canadian legislative reviews, including reviews of the Canadian Environmental Assessment Act and the Fisheries Act.
- Advancing our Zinc & Health program, we were proud to join our partners in the Zinc Alliance for Child Health (ZACH) — the Government of Canada and Nutrition International — to announce a \$4 million commitment to extend ZACH through 2020.

United Nations Sustainable Development Goals (SDGs)

Teck is working to support progress on the SDGs. We recognize that the mining industry has an opportunity to positively contribute to all 17 of the SDGs. Teck focuses on four goals in particular:

- · Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 5: Achieve gender equality and empower all women and girls
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 13: Take urgent action to combat climate change and its impacts

An overview of the work Teck is doing to help address each of the 17 Sustainable Development Goals is available on <u>our website</u>. Throughout this report, we describe how our activities are related to the SDGs in the SDG Spotlight found in several material topic sections.





Pictured Above: Anees Fatima, Community Mobilization Coordinator in Uttar Pradesh, India. Learn more about Anees's work through the ZACH partnership in <u>this case study</u>.

Appro and St

Approach to Business and Sustainability Managing Sustainability in Our Value Chain Engaging with Stakeholders and Indigenous Peoples Methodology, Restatements and Assurance

Implementation of Sustainability Governance

Our approach to implementing sustainability across our business starts with embedding it in our business planning and our objective-setting processes, which are conducted on an annual basis. For example, risks and opportunities related to health and safety, environmental management, and relationships with Indigenous Peoples and local communities are reflected in the long-term plans for each business unit and operation.

Our compensation program for employees is linked to health and safety and sustainability performance through individual, department and company-wide objectives. Hundreds of employees across our operations are engaged in implementing specific projects and practices related to our goals, and sustainability performance is integrated into their compensation program. All employees are engaged in our sustainability strategy through internal communications and day-to-day activities, to help us achieve our goals.

Incentive compensation of the CEO and senior officers is performance-based and includes several sustainability performance indicators. For all executives, the bonus weighting for sustainability ranges from 15% to 20% of their overall bonus. In addition, the personal component of executive bonus ratings often includes specific objectives related to sustainability matters.

Integrated Risk Management

Our management objective for sustainability is to work within the social, economic and environmental contexts in a way that ensures positive outcomes for our business and our stakeholders in the short and long term. Our process for integrating risk management throughout the business starts with identifying, evaluating and addressing economic, social and environmental risks and opportunities on a regular basis. The risks and impacts associated with our business are multi-faceted and require effective collaboration among departments, business units and external stakeholders. See Table 1 for descriptions of our major risks in the phases of the mining life cycle. We mitigate these risks in several ways, including:

- Health and safety risk assessments and associated plans are completed throughout the business
- Economic Feasibility Studies and Social and Environmental Impact Assessments to determine if developing an orebody is feasible
- Social, Environmental and Regulatory Approval committees, established for new projects, made up of internal experts to ensure the social and environmental risks associated with our current and future activities are identified, assessed and properly managed
- Environmental and social baselines to analyze and quantify the relevant parameters for an area containing the footprint of a future mine before any project activities have taken place
- Environmental management (water, air, biodiversity, waste, energy and climate change) during and after operations to ensure we meet regulatory requirements and commitments to communities
- Customer assessments to ensure our products are processed responsibly
- Closure planning to create post-mining economic vitality in communities
- Reclamation activities to facilitate new, productive uses of areas disturbed by mining
- Stakeholder consultation and engagement to provide communities with information about our activities and to understand local concerns and priorities

While certain sustainability issues remain constant from year to year, we regularly evaluate changes in the regulatory, economic, societal and environmental landscape to inform the continual improvement of our management approach. Information on emerging risks can be found in the material topics pages, and further information on current risks can be found in our <u>Annual Information Form</u>.

Table 1: Mining Life Cycle Risks

Phases of Mining Life Cycle	Major Risks
Exploration, Project Development and Mining	Land and water access, uneconomic mineral deposits, permits and regulations, support from communities and Indigenous Peoples, labour relations, cost fluctuations, health and safety incidents, natural disasters, environmental incidents, and climate change
Sales and Transportation	Trade regulations, customer environmental management, supply and demand fluctuations, product substitution, and transportation infrastructure and services
Closure and Reclamation	Environmental legacies and liabilities, and support from communities and Indigenous Peoples

Health, Safety, Environment and Community Management Standards

Teck's Health, Safety, Environment and Community (HSEC) Management Standards outline a high-level framework for the identification and effective management of HSEC issues and risks to support continual improvement in related programs and performance. They also provide context for overarching corporate policies and guidelines, and site-level policies and procedures. The HSEC Management Standards apply to current and closed properties, and to activities including waste management, engineering/maintenance, selection of suppliers and contractors, development of new products and services, product distribution, new projects, exploration, and due diligence of mergers and acquisitions.

Figure 3: Health, Safety, Environment and Community Management Structure



Incident Management

An incident is an unintended event that, in the vast majority of cases, is immediately managed and has no significant implications. We actively monitor and manage all incidents related to our activities, including those related to health and safety, communities and the environment.

All our operations have preventive control measures in place to minimize the likelihood of incidents and to mitigate potential effects on employees, communities or the environment in case an incident does occur. We apply a hierarchy of controls to strengthen our ability to prevent and mitigate risk. Control measures include facility design considerations, spill containment measures, monitoring systems and alarms, standard operating procedures, training, regular inspections, and the identification of potential issues through internal risk assessments and audits.

The 20 HSEC Management Standards include:

- 1. Safety, Health and Occupational Hygiene
- 2. Communities and Indigenous Peoples
- 3. Human Rights
- 4. Water, Ecosystems and Biodiversity
- 5. Materials Stewardship and Energy Efficiency
- 6. Mining Life Cycle Considerations Transactions, Development and Closure
- 7. Contractors and Suppliers
- 8. Leadership and Commitment
- 9. Planning and Resources
- 10. Legal and Other Requirements
- 11. Risk and Change Management
- 12. Control of Activities
- 13. Monitoring Measurement, Inspection and Audit
- 14. Preparing for Emergencies
- 15. Incident Investigation, Corrective and Preventive Action
- 16. Management Review and Continual Improvement
- 17. Organization, Roles and Responsibilities
- 18. Training, Awareness and Competence
- 19. Communication and Reporting
- 20. Documents and Records

Significant incidents are investigated to identify key contributing factors, and we implement corrective actions to help prevent incidents from reoccurring. We also share learnings across Teck, and in selected instances across the mining industry, from any significant incidents.

Emergency Preparedness

We identify a comprehensive range of potential emergencies and ensure we are prepared to respond to, and recover from, these situations as quickly and effectively as possible. Potential risks are mitigated through robust risk management measures. A range of emergency scenarios are tested each year via emergency drills to evaluate the adequacy and effectiveness of our emergency preparedness — including human and physical resources. Emergency preparedness and planning is conducted at a corporate and site level as well as within the communities near our operations, as outlined in Table 2. Who We Are

Table 2: Emergency Preparedness at Corporate, Sites and Communities

Phases of Mining Life Cycle	Major Risks
Corporate Risk Group – Crisis Management Team	 Develops and designs Teck's overall approach to risk management, including the risk management practices related to the development and oversight of sites' emergency preparedness plans, which includes annual review and design and development of crisis simulations and training at sites
	 Provides risk identification and analysis support for individual sites
	· Coordinates additional training, capacity building and simulations as necessary
Individual Sites	Develop emergency preparedness plans tailored to site-specific risks
	Work closely with the Corporate Risk Group to ensure alignment with Teck's overall risk approach
	 Conduct training and simulations to ensure readiness and capabilities of workers and managers
	Coordinate with local stakeholders as described below
Local Communities	Develop their own emergency preparedness and response plans
	May collaborate and conduct joint simulations with adjacent Teck sites
	May exchange information and best practices with adjacent and non-adjacent Teck sites

Our framework within Teck's Global Risk Management Program guides the process of:

- · Identifying hazards
- · Assessing the risks associated with those hazards
- · Applying relevant controls to minimize the potential of risks
- Regularly checking effectiveness of controls
- **Ensuring appropriate plans** and resources are put in place to respond to emergencies that may occur

Standards for emergency preparedness are updated on a regular basis as required. With the support and guidance of our Risk Group, each operation develops site-specific emergency preparedness and response plans based upon those requirements. As such, emergency response plans and preparations are appropriate for site-specific conditions and are based on a range of credible — although extremely unlikely — incident scenarios.

Cybersecurity

Cybersecurity is a risk that Teck mitigates through stringent management and governance of digital technology. Effective management and governance of cyberrisk in a world of increasing cyberthreats is fundamental to the long-term sustainability of our company.

The Vice President, Teck Digital Systems and Chief Information Officer is accountable for the effectiveness of information technology at Teck and the cybersecurity of our systems. The Director, Information Security is responsible for developing and enacting the strategy as well as for the operation of the cybersecurity program at Teck. The nature of the cyberthreats facing Teck and the industry have evolved, particularly over the past three years, and are now primarily motivated by profit. As Teck moves to utilizing more digital technologies, our tactics for managing risks will evolve alongside the changing environment. Fundamentally, Teck believes that cybersecurity is an industry-wide concern and has partnered with other companies in the mining and metals sector to form the global Mining and Metals Information Sharing and Analysis Center to share threat information and best practices as an industry.

Regulation, Permitting and Approvals

Our licence to operate depends on our ability to meet legal compliance requirements and demonstrate value to both shareholders and communities. We continually monitor and manage the social and environmental aspects of our activities in order to meet or exceed regulations and to ensure regulatory compliance. This helps us obtain and maintain approvals to operate and grow our business.

We engage directly and indirectly (through industry groups) with governments and regulators to support permitting processes that are practical and effective in protecting the local environment and communities. Once permits are granted, our environmental assurance program verifies that we continue to meet all relevant requirements.

We track our permit and other requirements, and the management of those requirements, such as discharge monitoring, in our compliance and task management systems.

Methodology

THE OWNER AND A DESCRIPTION OF A DESCRIP

Water Stewardship

Global concerns regarding water availability and guality continue to increase. The World Economic Forum considers water to be a unique resource that underpins all drivers of growth. Ensuring that water is fairly allocated is an important issue, particularly in areas of water scarcity or where water quality can be negatively affected by human activity.

Ensuring the efficient use of water and the protection of water quality are essential in the mining industry for both the social licence and the regulatory licence to operate. Due to the large volumes of water used for mining processes, there is potential to affect water quality, which in turn can affect other water users. Mining companies can demonstrate leadership in water stewardship by using water efficiently, maintaining water quality, and engaging with communities to collaboratively manage a shared water resource throughout the mining life cycle. In 2017, the International Council on Mining and Metals (ICMM) released a new position statement on water stewardship¹ focused on strong and transparent corporate water governance, managing water at operations effectively, and collaborating to achieve responsible and sustainable water use. We are taking steps to align our practices with the position statement.

Leadership in water stewardship is a strategic priority for Teck. Communities with whom we share watersheds care about access to sufficient quantities of clean water for physical and spiritual health, quality of life, economic well-being and the preservation of the local environment, and we share those same values

In 2017, we released a new Water Policy and established a Water Governance framework for improving water stewardship across our company. In addition, we continued our participation in the CEO Water Mandate, a United Nations Global Compact initiative that mobilizes business leaders to advance water stewardship, sanitation, and the Sustainable Development Goal 6 in partnership with the United Nations, governments, peers, civil society and others. Implementation of Teck's Elk Valley Water Quality Plan also continued to be a key focus in 2017. We also continue to integrate water stewardship into community engagement and permitting activities across our operations.

Our Performance in Water Stewardship in 2017

Our Targets and Commitments

Our vision is to contribute to the balance between the social, economic, recreational and cultural benefits of water resources, within ecologically sustainable limits. We aim to be a leader in water stewardship by improving our understanding of the quantity and quality of water used at our mining operations, by achieving measurable improvements in water use and quality, and by engaging with other water users in our areas of influence. The following tables summarize our performance against 2020 sustainability goals.

2020 Goal	Status	Summary of Progress in 2017
Contribute to watershed management in water-stressed regions through water use efficiency projects, use of alternative water sources, water quality improvement measures and capacity building.	On Track	Conducted ongoing implementation of the Elk Valley Water Quality Plan. Quebrada Blanca and Carmen de Andacollo operations completed the identification and prioritization of water use efficiency projects and have initiated implementation.
Increase our understanding of groundwater and proactively assess groundwater risks.	On Track	Groundwater information from all operations was analyzed. Highland Valley Copper, Carmen de Andacollo and Red Dog operations were identified for the development of a site-wide groundwater model; activities to support modelling began in 2017.
Collaborate in developing innovative water technology and practice.	On Track	Full-scale trial of saturated rock fill technology underway to help understand water treatment alternatives to address water quality issues in the Elk Valley.

2017 Key Performance Indicators



GRI Indicators and Topic Boundary

303-103, 303-1, 303-3, 306-103, 306-1

This topic is considered most material by our shareholders, employees, local communities, regulators and society in the context of Teck's operations.

How Does Teck Manage This Topic?

Information about how we manage water, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

Approach to Business and Sustainability

Engaging with Managing Sustainability in Our Value Chain Stakeholders and Indiaenous Peoples

Material Topics

Methodology, Restatements and Assurance

Introducing our new Water Policy

We have long recognized that water is an important sustainability challenge. Moving forward, this challenge will continue to increase unless we find opportunities to improve our water stewardship and water use efficiency. Our longevity also requires us to be effective water stewards so we can maintain acceptance by the communities where we operate and build trust in the locations where we plan to develop

projects. In response to these challenges, Teck's Board of Directors approved a new Water Policy in November 2017 that commits us to apply consistently strong and transparent water governance, to manage water at operations efficiently and effectively, and to collaborate to achieve responsible and sustainable water use.

Water Policy

Teck recognizes that access to water is a human right and that water is essential to stakeholders in the watersheds where we operate. Teck is committed to protecting water and the life it sustains by being an industry leader in water stewardship. Teck will:

- · Apply consistently strong and transparent water governance
- · Manage water at operations efficiently and effectively
- · Collaborate to achieve responsible and sustainable water use

We will integrate the cost and value of water into business decisions, including project development, business planning, and closure planning activities. We will proactively assess water risks in our supply chain and value chain.

We are committed to the safe, efficient and sustainable use, reuse, management, treatment and discharge of water. We will drive water conservation and efficiency

improvements at our operations. We will monitor our water performance, set targets and report publicly on progress against these targets. We will build resiliency to the variability of climate and extreme events into our operations and logistics. We will engage proactively with stakeholders in the watersheds where we operate. We will provide access to safe drinking water and sanitation facilities for all of our employees.

We will strive for continual improvement by developing and investing in water technology and innovation, developing water expertise internally and externally, and engaging proactively in water-related public policy and regulatory developments.

This policy is supported by our Health, Safety, Environment, and Community Management Standards and other internal guidance, and will be regularly reviewed and updated as required.



Pictured Above: More than 4,000 Teck employees call the Elk Valley region of British Columbia home. Watch this video on how we conduct water quality monitoring in the region to protect this precious resource.

Protecting Water Quality

Throughout the year, we continued to monitor water quality and implement controls to mitigate risks. For example, we continued the construction of a multi-layer groundwater interception system at Quebrada Blanca Operations, began development of site-wide groundwater models at Highland Valley Copper, Red Dog and Carmen de Andacollo operations, began operation of a groundwater treatment facility at Trail Operations, and are continuing the implementation of the Elk Valley Water Quality Plan, including construction of a full-scale trial of a saturated rock fill to reduce concentrations of selenium and nitrate.

Managing Water Quality in the Elk Valley

We continue to implement the water quality management measures under the Elk Valley Water Quality Plan (EVWQP), which was approved in 2014 by the B.C. Minister of Environment. The goal of the EVWQP is to stabilize and reverse the increasing trend of mine-related constituents to ensure the health of the watershed while allowing for continued sustainable mining in the region. The plan establishes short-, medium- and long-term water quality targets, which are protective of the environment and human health, for selenium, nitrate, sulphate and cadmium, as well as a plan to manage calcite formation.

Monitoring Aquatic Health

We are conducting extensive monitoring to improve our understanding of water quality and aquatic health. Our activities include:

- Regular water quality monitoring at more than 100 surface water stations.
- · Quarterly regional groundwater monitoring at 37 wells.
- Monitoring of aquatic health through our Regional Aquatic Effects Monitoring Program and Local Aquatic Effects Monitoring Programs, which includes monitoring water quality, sediment quality and calcite; periphyton (algae); benthic invertebrates (bugs); and fish. In some cases, monitoring also includes birds and amphibians.

Active Water Treatment Facilities

We are implementing the EVWQP, which includes progressing design and construction of active water treatment facilities. Our first facility, the West Line Creek Active Water Treatment Facility (AWTF), was constructed at our Line Creek Operations, and we are advancing development of a Fording River Operations AWTF, planned for operation in 2021, and the Elkview Operations AWTF, planned for operation in 2022.

We have been working to address a challenge in the performance of our West Line Creek AWTF related to selenium compounds in discharge water. In late 2017, we completed the successful piloting of a new advanced oxidation process (AOP) that has been identified as a solution to this challenge. We are now preparing for full installation of the AOP at the water treatment facility, which is anticipated to be completed in summer 2018. In 2017, we constructed our full-scale trial saturated fill project at Elkview Operations at a total cost of \$41 million and commissioned the project in January 2018. This alternative treatment strategy has the potential to replace active water treatment plants in the future and/or enhance our ability to meet the objectives of the Elk Valley Water Quality Plan. We also completed the successful installation and commissioning of our first calcite management system at Greenhills Operations to support our understanding of calcite treatment and prevent calcite precipitation in the environment downstream from our operations.

We plan to spend approximately \$86 million on water treatment in 2018, taking into account facility design modifications as well as the engineering and commencement of construction of the Fording River AWTF.

Based on our current plans, the total spend on water treatment in the Elk Valley from 2018 to 2022 is expected to be in the \$850 to \$900 million range. This includes completion of modifications to the Line Creek AWTF, the construction of the Fording River AWTF and two others in the Elk Valley, as well as the commencement of construction of a fifth AWTF.

See www.teck.com/elkvalley for more information.

Collaborating to Ensure Fair Allocation of Water

Access to clean and sufficient water by users in our areas of influence is important to us and to our stakeholders. When implementing our water management practices, we consider and engage with other water users in the watersheds where we operate. We promote water stewardship at all of our operations.

At Carmen de Andacollo Operations in Northern Chile, we are working to reduce our intake of fresh water by increasing recovery of water from the thickener, by reducing water used for dust suppression and by implementing other projects.

We are also evaluating alternative approaches for meeting water needs in new development projects. At Quebrada Blanca Phase 2 (QB2) and NuevaUnión, which are both located in water-stressed regions of Chile, we are evaluating the use of desalinated seawater in order to protect and conserve local sources of fresh water for community and agricultural use. At the same time, using seawater is a significant investment, as it requires the construction of desalination plants and associated pipelines, along with additional energy to desalinate the water and pump it from the coast to our sites (approximately 170 kilometres to QB2 and 125 kilometres to NuevaUnión). For these two projects, we are focusing on the protection of local supplies of fresh water while simultaneously exploring opportunities to offset some of the emissions from the required electricity generation through using renewable sources.

At our Zafranal project, we are evaluating the use of brackish groundwater, which is not suitable for farming or human consumption, to minimize impacts on local watersheds.

Who We Are

Approach to Business and Sustainability Managing Sustainability in Our Value Chain Engaging with Stakeholders and Indigenous Peoples

Material Topics

Methodology, Restatements and Assurance

Case Study Putting Bacteria to Work: Addressing Historical Impacts at Our Trail Operations

People often have a negative association with bacteria, but the millions of bacteria now living and thriving in our Groundwater Treatment Plant at Trail Operations are actually helping us to clean the water.

Clare North, Superintendent of Environmental Remediation at Teck's Trail Operations, is focused on creating the perfect living conditions for growing this bacteria. She, and more specifically Trail's new Groundwater Treatment Plant, is helping to clean up historical impacts underneath the operation.

"We rely on bacteria to do very important work for us," says Clare, explaining how bacteria is used to remove ammonia from groundwater beneath the operation. "We have nutrients and supporting structure placed in the tanks that look like little cartwheels that are essentially houses for the bugs. The bacteria cling to them so they can do their work."

Research and Planning

A hydrogeologist by training, Clare was a consultant with Teck studying Trail Operation's impact on groundwater quality, a result of historical operations and materials storage prior to the 1980s. In 2011, she came to Teck full-time, joining a dedicated team of scientists, engineers and other professionals to create a plan to remediate impacted groundwater and meet regulatory requirements. Clare and the team undertook a series of drilling campaigns that identified where the groundwater had higher concentrations of ammonia and several metals. After analyzing the extent of the issue, they determined that hydraulic interception was the best method to treat the water, using underground pumps to direct water through a treatment plant before it is sent to the Columbia River.

"Studies conducted to date have found that the fish populations in the river are not affected by the groundwater, and the water quality of the river meets drinking water standards," explains Clare. "That being said, we are committed to remediating the groundwater impacted by our historical activities."

Putting the Plan into Action

Construction of the \$46 million groundwater treatment facility began in 2015 and was completed in the spring of 2017. Testing began with small volumes of water, and by the fall, they were up to full treatment rates. The treatment process works in two stages. The first stage extracts the metals, which are then added into our current metallurgical processes. The second phase addresses the ammonia, which is where the bacteria come in. These bugs use the ammonia as food, removing it from the water.

Improving Water Efficiency

We track water data for all our operations using site-wide water balances. Site-wide water balances provide an understanding of water inputs, consumption, reuse/recycle and discharge volumes at each operation. Water balances are developed using a mix of measurements and modelling computation. The company-wide water balance is complex, due to the variability of natural factors such as rainfall, snowmelt and the diversity of the climates and geological conditions where our operations are located. Understanding our water balance is key to improve water management practices and to enable better decision-making.

Key water performance metrics include total water use, water reused and water recycled. In 2017, 60% of our total water use was from reused/recycled water. Water reused and recycled, expressed as a percentage of new water use, was 149% across the company. At our mining operations only (excluding Trail, which is our zinc and lead smelting and refining facility), this percentage was 378%. This means that our mining operations recycled and reused the same water approximately four times on average before returning that water to the environment.

Trail Operations accounts for nearly 25% of our total water use and about 60% of our new water use. Almost all of the water used at our Trail Operation is for cooling purposes, meaning that it does not come into contact with chemicals or reagents, and the only change it undergoes is a slight increase in temperature before being returned to the environment within regulatory approved conditions. We track this water separately from the data for our mining operations.

Figure 9 illustrates the new water use and total water use trends over the past four years. In 2015, the significant reduction of total water use across all our operations was largely due to the implementation of a cooling tower retrofit project at our Trail Operations. Since 2015, our new water use has remained relatively constant, and we have been improving our practices and increasing our reuse/recycle water use to meet our water needs.



Water Discharged Without Use **248.1**

Water inputs: water that is received, extracted or managed (i.e., collected and conveyed through an operation's infrastructure). Water inputs exclude water diverted away from operational areas.

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

- · New water: water that is used for the first time
- Reused water: water that is reused without being treated between uses
- Recycled water: water that is reused and is treated prior to reuse.

Water discharged without use: water that enters the site, is not used in any processes and is released to the receiving environment.

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

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

Types of Water

Surface Water: water from precipitation and runoff that is not diverted around the operations. Also includes water inputs from surface waterbodies that may or may not be within the boundaries of our operations.

Groundwater: water from beneath the surface of the ground that collects or flows in the porous spaces in soil and rock.

Seawater: water obtained from a sea or ocean.

Third-party sources: water supplied by an entity external to the operation, such as from a municipality. We do not use wastewater from other organizations.

Other: includes water that has evaporated and/or is not recoverable (e.g., contained in ore concentrate or tailings).

Excluding Trail Operations

Methodology,

Restatements

and Assurance

Table 6: Water Used, Reused and Recycled

Who We Are

	2017	2016	2015	2014
Total water inputs (m³)	365,399,000	346,462,000	333,150,000	391,637,000
Total water outputs (m ³)	376,285,000	353,414,000	340,227,000	388,667,000
Total water use (m³)	291,930,000	285,268,000	285,864,000	326,727,000
New water use (m ³)	117,319,000	117,930,000	115,466,000	128,355,000
Water reused/recycled (m ³) ⁽¹⁾	174,611,000	167,338,000	170,371,000	198,372,000
Reused/recycled as % of total new water $use^{\scriptscriptstyle (1)(2)}$	149%	142%	148%	155%

The figures for 2014-2016 have been restated due to improved methodology for reporting total water reuse at our Red Dog Operations.
 The percentage calculation is based on the total volume of water reused/recycled divided by the total volume of new water used.

Figure 9: Total and New Water Use (m³)



2014 2015 2016 2017 100,000,000 New water use Total water use

These water metrics allow us to more consistently evaluate

our water use performance, independent of variations in

will allow us to inform water management decisions and

improvement projects at our operations.

annual precipitation and ore grades. In addition, these metrics

Water Intensity

We benchmark our water performance on the basis of a new water use intensity metric, as shown in Tables 7 and 8. Our new water use intensity is defined as the annual volume of new water used per unit of material processed by our steelmaking coal and by our milling and flotation operations.

Table 7: New Water Use Intensity at Coal Operations

Coal Operations ⁽¹⁾	2017	2016	2015	2014
New water use (million m ³)	11.3	15.5	14.9	15.4
Raw coal processed (tonnes)	40,705,653	38,871,000	35,302,000	40,424,000
New water use intensity (m³/tonne)	0.28	0.40	0.42	0.38

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

Table 8: New Water Use Intensity at Milling and Flotation Operations

Milling and Flotation Operations ⁽¹⁾	2017	2016	2015	2014
New water use (million m³)	33.1	28.0	27.2	29.5
Ore processed (tonnes)	74,355,735	72,262,000	69,186,000	72,565,000
New water use intensity (m³/tonne)	0.45	0.39	0.39	0.41

(1) Includes Red Dog, Pend Oreille, Highland Valley Copper and Carmen de Andacollo operations.

Table 9: New Water Use at Quebrada Blanca and Trail Operations (million m³)

	2017	2016	2015	2014
Quebrada Blanca (water used primarily in metal leaching process)	1.7	1.6	1.7	1.7
Trail (water used primarily for cooling)	71.1	72.8	71.7	81.6

Our 2017 new water use intensity metrics showed that our steelmaking coal operations improved relative to 2016, and that our base metal milling and flotation operations increased relative to 2016. The improvements in our coal operations are primarily due to improved practices at Greenhills and reduced tailings pond storage capacity at our Fording River Operations. At our Greenhills Operations, a number of system improvements within the process plant increased return flows to the tailings storage facility, providing more water for later reuse. At our Fording River Operations, the combination of a reduced tailings facility water storage capacity and an increase in water inputs from tailings slurry meant that more water was reused in 2017 than in previous years. The increase in new water use intensity at our milling and flotation operations is primarily due to a combination of factors, including:

- At Highland Valley Copper Operations, increased production rates resulted in an increase of make-up water requirements, which had to be sourced from new water sources
- At Carmen de Andacollo Operations, a considerably wetter 2017 resulted in more new water (rainwater and surface runoff) accumulating in the tailings storage facility, providing more new water for use

For Quebrada Blanca and Trail operations, an intensity metric for new water use is not meaningful because the volume of new water used at both operations is largely independent of the quantity of material processed or produced. Therefore, we assess our water performance at these operations based on the absolute amount of new water used.

Outlook for Water Stewardship

In 2018, we will work towards implementing a Water Governance framework across the organization to support our new Water Policy. We will also continue to advance our work towards our sustainability goals for water by increasing our understanding of groundwater at priority operations and by contributing to watershed management in water-stressed regions through water use efficiency projects and watershed-based planning and mitigation activities. To enable sustainable implementation of the Elk Valley Water Quality Plan, training, research and development, construction and other activities in the Elk Valley will proceed in 2018. As in past years, we will also continue to collaborate with communities to ensure equitable access to water in water-stressed regions near our operations in Chile.

Learn More

ICMM Position Statement on Water Stewardship

Methodology, Restatements and Assurance

This report discloses sustainability data for the fiscal year ending December 31, 2017. The scope of this report covers all of the operations managed by Teck and also, where appropriate, key issues at exploration and development projects and at joint venture operations. Data for joint ventures not operated by Teck is not presented unless otherwise stated.

Operations included in this report are those actively managed by Teck, which include:

- 1. Cardinal River
- 2. Carmen de Andacollo
- 3. Coal Mountain
- 4. Elkview
- 5. Fording River
- 6. Greenhills
- 7. Highland Valley Copper
- 8. Line Creek
- 9. Pend Oreille
- 10. Quebrada Blanca
- 11. Red Dog
- 12. Trail Operations

Countries where we sell our products are as follows:

- · Brazil
- · Canada
- · Chile
- · China
- · Colombia
- · Finland
- · Germany
- India
 Indonesia
- · Italy
- · Japan
- · Malaysia
- · Mexico
- Netherlands

Unless otherwise stated, we report data for our operations on a 100% ownership basis (e.g., for a 97.5%-owned operation, we report 100% of the data). Data is reported using the metric system and Canadian dollars, unless otherwise stated. Unless otherwise stated, all workforce data is limited to permanent and temporary employees.

Joint venture operations not managed by Teck, but covered in some areas of this report, are:

- · Antamina
- NuevaUnión
- Fort Hills

- · Pakistan
- · Philippines
- · South Korea
- · Spain
- Sweden
- · Taiwan
- · Thailand

- · Turkey
- · United Kingdom
- United States
- Vietnam

Where available, we include comparative historical data to demonstrate trends. Historical data is reported based on the scope of the report for the respective year. The scope of the report can change year to year, depending on acquisitions or sales of assets. In our efforts to continually improve and standardize our annual reporting process, the interpretation of data from year to year can often change. Certain comparative amounts for prior years have been reclassified or restated to conform to the presentation adopted for this reporting period.

Independent Assurance Report

April 26, 2018

To the Board of Directors and management of Teck Resources Limited

Scope

We have been engaged by Teck Resources Limited (Teck) to perform an independent limited assurance engagement on selected sustainability subject matter areas presented within the Teck 2017 Sustainability Report (the Report) for the period January 1, 2017 to December 31, 2017.

Selected Subject Matter

Our limited assurance engagement was performed on the following selected subject matter:

- Teck's assertion that it has incorporated the requirements of the 10 Sustainable development principles of the International Council on Mining and Metals (ICMM Subject Matter 1) into its own policies, strategies and standards.
- Teck's assertions regarding the approach that it has adopted to identify and prioritize its material sustainable development risks and opportunities (ICMM Subject Matter 2).
- Teck's assertions regarding the existence and status of implementation of systems and approaches used to manage the following selected sustainable development risk areas (ICMM Subject Matter 3):
- Water Stewardship
- Relationships with Communities
- Energy and Climate Change
- Relationships with Indigenous Peoples
- Health and Safety
- Tailings, Waste and Environmental Management
- Diversity and Employee Relations
- Biodiversity and Reclamation
- Air Quality
- Human Rights

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
- Occupational Disease Frequency Rate, per 200,000 hours
- Direct scope 1, indirect scope 2 and indirect scope 3 greenhouse gas (GHG) emissions
- Total new water use
- Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples

- Total area of land reclaimed, total land disturbed and yet to be rehabilitated
- Air quality SO_2 emissions
- Air quality Percentage of selected community-based air quality stations (three stations) with annual mean concentrations of ambient PM₂₅ within WHO guidelines
- Teck's self-declaration of reporting in accordance with the Global Reporting Standards (GRI Standards) Sustainability Reporting Guidelines (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 This Report" and "Methodology, Restatements and Assurance" sections of the Sustainability Report. The subject matter areas above have been assessed against the definitions and approaches contained in the following standards and principles:

- ICMM principles and mandatory requirements set out in ICMM Position Statements; and Global Reporting Standards and the G4 Sector Disclosures for Mining and Metals.
- Teck's company-wide reported performance data (ICMM Subject Matter 4) have been assessed against the definitions referenced in the addendum below.

Independence and Quality Control

We have complied with relevant independence requirements and other ethical requirements of the *Code for Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. PricewaterhouseCoopers applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities

Management's Responsibility

Management is responsible for the preparation and presentation of the Report 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). Management is also responsible for such internal control as management determines necessary to enable the preparation of the selected subject matter that is free from material misstatement.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the selected subject matter based on the limited assurance procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000 Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information and the guidance set out in ICMM's Sustainable Development Framework: Assurance Procedure (the Framework) document. ISAE 3000 requires that we plan and perform this engagement to obtain limited assurance about whether the selected subject matter is free from material misstatement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures and agreeing or reconciling with underlying records. Given the circumstances of the engagement, our procedures included but were not limited to:

- · Making inquiries of relevant management of Teck
- Evaluating the design of the key processes and controls for managing and reporting the performance data within the selected subject matter
- · Limited testing of 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. A limited assurance engagement is restricted primarily to enquiries and analytical procedures, and the work is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures and the procedures performed in response to the assessed risks.

Inherent Limitations

Non-financial performance information, such as that included in the selected subject matter within the Report, is subject to more inherent limitations than financial information, given the characteristics of the information and the methods used for determining and calculating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments. Furthermore, the nature and methods used to determine such information, as well the evaluation criteria and the precision thereof, may change over time. It is important to read our report in the context of evaluation criteria.

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 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.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected subject matter for the year ended December 31, 2017 has not been prepared, in all material respects, in accordance with the Reporting criteria.

Pricewaterhouse Coopers LLP

PricewaterhouseCoopers LLP Vancouver, B.C. Chartered Professional Accountants

Independent Assurance Report (continued)

Addendum: Selected Performance Measures Reviewed

The following corporate-wide performance measures were included in PwC's review of selected sustainability subject matter areas within Teck's Sustainability Report for the year ended December 31, 2017.

Performance Measure	2017	Page Reference ⁽¹⁾
Number of fatalities	0	62
Number of lost-time injuries (LTI)	89	62
Lost-time injury frequency (LTIF)	0.45	62
Occupational Disease Frequency Rate	0.09	63
GHG emissions – direct scope 1 (CO_2e kt)	2,682	49
GHG emissions – indirect scope 2 (CO ₂ e kt)	328	49
GHG emissions – indirect scope 3 (use of coal product sold) (CO $_{\rm 2}{\rm e}$ kt)	78,438	49
New water use (m ³)	117,319,000	35
Total area of land reclaimed (ha)	6,325	88
Total land disturbed and yet to be rehabilitated (ha)	23,477	88
Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples	0	42
Air quality – SO_2 emissions (tonnes)	4,894	92
Air quality – Percentage of selected community-based air quality stations (three stations) with annual mean concentrations of ambient $PM_{2.5}$ within WHO guidelines	100	94

(1) Teck have disclosed the basis of preparation for each of their selected Performance Measures within the body of the Sustainability Report. The page references refer the reader to where definitions can be found.

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 "expect", "anticipate", "plan", "estimate", "potential", "may", "will", "should", "believe", "focus", "targets" and similar expressions. Forward-looking statements in this report include, but are not limited to, statements relating to our sustainability goals and plans and our expectations regarding those goals and plans, including but not limited to our water policy goals, our spending projections relating to the Elk Valley water treatment, as well as statements regarding planned capital investments and the life of certain of our operations. The forwardlooking statements in this report are based on current estimates, projections, beliefs, estimates and assumptions of the management team and are believed to be reasonable, though inherently uncertain and difficult to predict. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, experience or achievements of Teck to be materially different from those expressed or implied by the forward-looking statements. Risks and uncertainties that could influence actual results include, but are not limited to, operational problems, regulatory action, changes in laws and governmental regulations, development and use of new technology, natural disasters and adverse weather conditions, changes in commodity prices, general business and economic conditions, and the future operation and financial performance of the company generally. Certain of these risks and other additional risk factors are described in more detail in Teck's Annual Information Form and its management's discussion and analysis and other documents available at www.sedar.com and in public filings with the United States Securities and Exchange Commission at www.sec.gov. These statements speak only as of the date of this Report. 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.

Teck Resources Limited

Suite 3300, 550 Burrard Street Vancouver, British Columbia, Canada V6C 0B3 +1.604.699.4000 Tel +1.604.699.4750 Fax www.teck.com

etting Possibilities in Motion



2017 Annual Report

f C in

Facebook: <u>facebook.com/TeckResourcesLtd/</u> Twitter: <u>twitter.com/TeckResources</u> LinkedIn: <u>linkedin.com/company/teck-resources-limited</u>



2018 CDP Water Security Questionnaire Teck Resources Ltd.

W0. Introduction

W0.1

Give a general description of and introduction to your organization.

Teck is a diversified resource company committed to responsible mining and mineral development with business units focused on steelmaking coal, copper, zinc and energy. Headquartered in Vancouver, British Columbia, Canada, we own or have an interest in 12 mines, one oil sands operation, one large metallurgical complex and several major development projects in Canada, the United States, Chile and Peru. 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. Our strategic objective is to ensure Teck is the premier mining company in the business in terms of building shareholder value, safety, sustainability, and mutually beneficial relationships with all of our partners and stakeholders.

W-MM0.1a

Which activities in the metals and mining sector does your organization engage in?

Activity: Mining, Processing Metals

Details of Activity: Copper, Zinc, Other non-ferrous metal mining

Teck is Canada's largest diversified resource company, providing products that are essential to improving people's quality of life: steelmaking coal, copper, zinc and energy.

W0.2

State the start and end date of the year for which you are reporting data.

Reporting year Start date: 01/01/2017 End date: 12/31/2017

W0.3

Select the countries/regions for which you will be supplying data.

Canada, Chile, United States of America

W0.4

Select the currency used for all financial information disclosed throughout your response.

CAD

W0.5

Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

Please report the exclusions.

Exclusion: Water data for development projects and legacy properties are not included.

Please explain: Development projects and legacy properties are not operational and use significantly less or no water compared to our operations (mines and smelters).

W1. Current state

W1.1

Rate the importance (current and future) of water quality and water quantity to the success of your business.

Sufficient amounts of good quality freshwater available for use.

in amounts of good quality reshwater available for use.					
Direct use importance rating:	Vital				
Indirect use importance rating:	Not very important				
Please explain:	We rely on freshwater to process materials. For				
	example, the metallurgical process of extracting ore				
	requires water of adequate quality. Therefore, we are				
	directly affected by the availability and quality of				
	freshwater. In the future, we expect our dependency on				
	freshwater to reduce as new operations are constructed				
	that will either treat low quality water or use desalinated				

that will either treat low quality water or use desalinated sea water for water supply. Regarding the indirect use of freshwater: We do not believe our key inputs, including energy from fuels and electricity, explosives, grinding media, and chemicals such as sulphuric acid and lime, are sourced from regions significantly exposed to water risks. The diversity of regions where these key inputs are produced also significantly reduce the associated water risks. We continue to improve our understanding of the water risks associated with our key inputs.

Sufficient amounts of recycled, brackish and/or produced water available for use.

Direct use importance rating:	Vital
Indirect use importance rating:	Not very important
Please explain:	We rely on internally recycled and reused water to process materials but we do not currently use material amounts of recycled or brackish from external sources and/or produced water. We demonstrate leadership in water stewardship by recycling significant amounts of
	-

water and minimizing our need for freshwater. In the future, we expect our dependency on lower qualities of water to increase as new operations are constructed that will either treat low quality water or use desalinated sea water for water supply.

W1.2

Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes % of sites/facilities/operations: Please explain:	100% At each Teck operation (100% of operations) a robust water monitoring program is in place. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals. In addition, a site-wide water balance has been developed and is maintained annually to provide a thorough understanding of water withdrawal volumes.
Water withdrawals – volumes from water	r stressed areas
% of sites/facilities/operations: Please explain:	100% At each Teck operation, including our operations in water stressed areas (100% of operations in water stressed areas), a robust water monitoring program is in place. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals. In addition, a site-wide water balance has been developed and is maintained annually to provide a thorough understanding of water withdrawal volumes by sources.
Water withdrawals – volumes by source	
% of sites/facilities/operations: Please explain:	100% At each Teck operation (100% of operations) a robust water monitoring program is in place. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals. In addition, a site-wide water balance has been developed and is maintained annually to provide a thorough understanding of water withdrawal volumes by sources.
Produced water associated with your me	etals & mining sector activities - total volumes
% of sites/facilities/operations: Please explain:	At each Teck operation (100% of operations), our water balances include water entrained in the materials that are processed. Entrained water (or produced water) is measured infrequently because it is a minor component of the total water inputs and because it does not vary significantly in time.
Water withdrawals quality	

% of sites/facilities/operations: Please explain:	100%	At each Teck operation (100% of operations) a robust water monitoring program is in place in alignment with ICMM's water accounting framework. Our operations report on their water withdrawals based on Water Quality categories aligned with ICMM's water accounting framework.
Water discharges – total volumes % of sites/facilities/operations: Please explain:	100%	At each Teck operation (100% of operations) a robust water monitoring program is in. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals. In addition, a site-wide water balance has been developed and is maintained annually to provide a thorough understanding of water discharge volumes.
Water discharges – volumes by destinat % of sites/facilities/operations: Please explain:	ion 100%	At each Teck operation (100% of operations) a robust water monitoring program is in place. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals. In addition, a site-wide water balance has been developed and is maintained annually to provide a thorough understanding of water discharge volumes by destination.
Water discharges – volumes by treatme % of sites/facilities/operations: Please explain:	nt metho 100%	At each Teck operation (100% of operations) a robust water monitoring program is in place. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals. In addition, a site-wide water balance has been developed and is maintained annually to provide a thorough understanding of water discharge volumes by treatment method.
Water discharge quality – by standard e % of sites/facilities/operations: Please explain:	ffluent p 100%	arameters Each Teck operation (100% of operations) regularly monitors effluent water quality. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly.
Water discharge quality – temperature % of sites/facilities/operations: Please explain:	100%	Each Teck operation (100% of operations) regularly monitors effluent water quality to ensure compliance with regulatory requirements. Temperature is included with
2018 CDP Water Security Questionnaire	2	4

Teck Resources Ltd.

			the suite of parameters monitored where required. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly.
Water cor	nsumption – total volume		
% Pi	o of sites/facilities/operations: lease explain:	100%	At each Teck operation (100% of operations) a robust water monitoring program is in place. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals. In addition, a site-wide water balance has been developed and is maintained annually to provide a thorough understanding of water consumption volumes.
Water rec % Pl	eycled/reused of sites/facilities/operations: lease explain:	100%	At each Teck operation (100% of operations) a robust water monitoring program is in place to ensure regulatory compliance. Water monitoring occurs at a frequency that corresponds to the materiality of what is being monitored and varies from continuous to monthly totals. In addition, a site-wide water balance has been developed and is maintained annually to provide a thorough understanding of water reuse/recycle volumes.
The provision of fully-functioning, safely managed WASH services to all workers			
P	lease explain:		At each Teck operation (100% of operations), WASH services are provided for all our workers and monitored regularly to ensure systems are fully functioning.

W1.2b

What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year? Total withdrawals

Volume (megaliters/year):	365,400
Comparison with previous reporting year:	Higher
Please explain:	In 2017, we reported a minor increase in total water inputs (about 5%) at our operations because 2017 was a wetter year than 2016 across all of our operations. We do not expect operational changes to materially impact our withdrawals in the short term.
Total discharges	
Volume (megaliters/year):	315,550
Comparison with previous reporting year:	Higher
	5

	Please explain:	The minor increase in total discharges is attributed to an increase of water inputs at our operations resulting from a wetter 2017 than 2016. We do not expect operational changes to materially impact our discharges in the short term.
Total c	onsumption	
	Volume (megaliters/year):	60,500
	Comparison with previous reporting year:	About the same
	Please explain:	In 2017, we reported water consumption totals similar to 2016. For comparative purposes with prior years, we have reported total consumption for 2017 excluding volumes associated with a change in storage. Our consumption would be 49,850 including change in storage. We do not expect operational changes that will materially impact our consumption in the short term.

W1.2d

Provide the proportion of your total withdrawals sourced from water stressed areas.

Row 1	
	% withdrawn from stressed areas:
	Comparison with previous reporting years:
	Identification tool:
	Please explain:

4 About the same WRI Aqueduct The WRI Aqueduct tool was selected for its user interface and clarity in results, and we have used it now for several years for consistency purposes. The Aqueduct tool provides clear classification of the areas where Teck has operations and the results also correspond to our local understanding of water stress. The total water withdrawal from stressed areas remained approximately the same when compared to Teck's total water withdrawals because 2017 was a wetter year on average across the company, including at our operations in water stressed areas.

W1.2h

Provide total water withdrawal data by source.

 Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

 Relevance:
 Relevant

 Volume (megaliters/year):
 329,800

 Comparison with previous reporting year:
 Higher

 Please explain:
 In 2017, we reported a minor increase in total

water inputs of about 5% at our operations because 2017 was a wetter year than 2016 across all of our operations. We do not

anticipate a material change in our surface water withdrawals in the short term. Brackish surface water/seawater Relevance: Not relevant Volume (megaliters/year): Comparison with previous reporting year: Please explain: We do not collect brackish surface water or seawater. We do not anticipate a material change in our seawater withdrawals in the short term, until sanctioning and construction of our Quebrada Blanca Phase II project is completed as this project will use desalinated seawater for operations. Groundwater - renewable Relevance: Relevant Volume (megaliters/year): 35.600 Comparison with previous reporting year: About the same Please explain: In 2017, our groundwater inputs remained relatively constant compared to 2016, even as our operations have increased the quantity of ore and raw coal processed rates. These results reflect our continued efforts to improve our water use intensity. We continue to focus on groundwater use reduction and expect to see additional reductions in ground water withdrawals in the short term. Groundwater - non-renewable Relevance: Not relevant Volume (megaliters/year): Comparison with previous reporting year: Please explain: We do not use water from deep and/or nonrenewable groundwater sources. We do not anticipate a material change in our groundwater withdrawals in the short term. Produced water Relevance: Not relevant Volume (megaliters/year): Comparison with previous reporting year: Please explain: We do not use produced/processed water. We do not anticipate a material change in our produced/processed water withdrawals in the short term. Third party sources Relevance: Relevant Volume (megaliters/year): 3 Comparison with previous reporting year: About the same Please explain: Water provided by the District of Sparwood to our Coal Mountain operation. Volumes of water sourced from a third party (District of Sparwood) has remained constant the last few years. We do not anticipate a material change in our third party water withdrawals in the short term. W1.2i

Provide total water discharge data by destination.

Fresh surface water Relevance: Volume (megaliters/year): Comparison with previous reporting year: Please explain:

Brackish surface water/seawater Relevance: Volume (megaliters/year): Comparison with previous reporting year: Please explain:

Groundwater

Relevance: Volume (megaliters/year): Comparison with previous reporting year: Please explain:

Third-party destinations Relevance: Volume (megaliters/year): Comparison with previous reporting year: Please explain:

Relevant 277.700 Higher In 2017, we reported a minor increase in total water discharged at our operations because 2017 was a wetter year than 2016 across all of our operations. We do not anticipate a material change in our surface water discharges in the short term.

Not relevant

We currently discharge to seawater only minor quantities of water at one operation that has port facilities. These volumes are not relevant to our company wide water balance. We do not anticipate a material change in our seawater discharges in the short term, until sanctioning and construction of our Quebrada Blanca Phase Il project is completed as this project will have port facilities and will be desalinating seawater for water supply.

Relevant 35,100 Lower In 2017, we reported a reduction in the volume of water discharged to groundwater because of natural processes limiting infiltration from water management ponds at one of our operations. We do not anticipate a material change in our ground water discharges in the short term.

demands and any changes in our commitments.

2.700 Lower In 2017, we reported a minor decrease in water supplied to third party destinations because our Carmen de Andacollo operation reduced the amount of water supplied to another nearby mine. Moving forward, changes in the volumes of water to third parties will vary with their

Relevant

W1.2j

What proportion of your total water use do you recycle or reuse?

Row 1

% recycled and reused: 51-75 Comparison with previous reporting year: Please explain:

About the same In 2017, the percentage of water reused/recycled remained similar to 2016. To

reduce the volumes of freshwater we consume, we continue to focus on recycling and reusing as much water as possible at all our operations and particularly at those operations in water stressed areas. We expect that our recycle and reuse performance will be similar or improve in the short term.

W-MM1.2j

For your metals and mining operations, provide details of the volume of water recycled or reused by your organization and the proportion of total water use this represents.

Row	1
-----	---

Volume of water recycled or reused by your organization (megaliters/year): 174,600 % of total water use recycled or reused: 51-75 Please explain: In 2017,

In 2017, the percentage of water

reused/recycled at our mining and metals operations

remained similar to 2016. To reduce the volumes of freshwater we consume, we continue to focus on recycling and reusing as much water as possible at all our operations and particularly at those operations in water stressed areas. We expect that our recycle and reuse performance will be similar or improve in the short term.

W-MM1.3

Do you calculate water intensity information for your metals and mining activities?

Yes

W-MM1.3a

For your top 5 products by revenue, provide the following intensity information associated with your metals and mining activities.

This question only appears if you select "Yes" to question W-MM1.3.

Product: Numerator: W Denominator: Comparison v	Base Metals ater aspect Unit of production vith previous reporting yea	Ton of o arHigher	Freshwater use pre processed
Please explai	n		In 2017, we reported a minor increase in our new water use intensity at our Base Metals operations. The increase in new water use intensity is primarily due to a combination of factors, including increased production rates at one operation that resulted in an increase of make-up water requirements that had to be sourced from new water sources and wetter conditions in 2017 that resulted in more precipitation accumulating in storage ponds that

	provided new water for use. Our water use intensity metrics are used to identify opportunities to reduce water use, to share operational best practices, to design new operations, and to benchmark water use within the mining industry. We produce base metals and steelmaking coal and measure our water use intensity for these two product groups.
Product: Steelmaking Coal Numerator: Water aspect Denominator: Unit of production Ton of Comparison with previous reporting yearLower Please explain	Freshwater use ore processed In 2017, our Steelmaking Coal operations
	improved their water use efficiency relations 2016. The improvements are primarily due to improved practices that implemented system improvements within the process plant to increase the return of flows available for reuse from the tailings storage facility. Our water use
	intensity metrics are used to identify opportunities to reduce water use, to share operational best practices, to design new operations, and to benchmark water use within the mining industry. We produce base metals and steelmaking coal and measure our water

W2. Business impacts

W2.1

Has your organization experienced any detrimental water-related impacts?

No

W2.2

In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

use intensity for these two product groups.

Yes, fines

W2.2a

Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines:	3
	5
Total value of fines:	1,803,000
% of total facilities/operations associated:	17
Number of fines compared to previous reporting year:	About the same
Comment:	

The water-related fines received in 2017 were all related to incidents that occurred in previous years. Based on our incident ranking criteria, no environmental incidents at any of our projects and operations were considered significant in 2017. Our incident ranking criteria use environmental, safety, community, reputational, and financial impacts to assess significance,

W2.2b

Provide details for all significant fines, enforcement orders, and/or penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Type of penalty: Fine	
Financial impact:	300,000
Country/Region:	Canada
River basin:	Other, please specify. Elk River.
Type of incident: Description of penalty, in	Other non-compliance with permits, standards, or regulations ncident, regulatory violation, significance, and resolution: In March 2017, Teck was ordered to pay \$285,000 to the Habitat Conservation Trust Foundation and a \$15,000 penalty to regulators as a result of three violations of the BC Environmental Management Act associated with maintenance work being done to upgrade a sedimentation pond at Elkview Operations in 2012. At the time of the incident, Teck did not notify the Ministry of Environment and Climate Change Strategy of the changes to the works, which is required by permit. Two unauthorized discharges of sediment-laden water were made from the sedimentation pond, which released to Goddard Creek. One of the two discharges was not immediately reported to the Ministry.
Type of penalty: Fine	1 425 000
Country/Region:	1,425,000 Canada
River basin	Other please specify Elk River
Type of incident:	Other non-compliance with permits, standards, or regulations
Description of penalty, in	ncident, regulatory violation, significance, and resolution:
	In October 2017, Teck received a \$1.425 million fine in relation to charges under the Fisheries Act relating to the October 2014 fish mortality incident that occurred in the area of the water treatment works at the West Line Creek Active Water Treatment Facility at our Line Creek Operations during commissioning of the facility. Funds are expected to be used for purposes related to the conservation and protection of fish or fish habitat or the restoration of fish habitat in the East Kootenay region of BC. Following the incident, an extensive investigation was undertaken, and numerous measures to prevent a reoccurrence were implemented. These included improved monitoring and incident response programs, additional water treatment plant monitoring and process controls, and the creation of an effluent buffer pond to allow early identification and management of potential issues before discharge of water.
Type of penalty: Fine Financial impact:	78,000

Financial impact:	78,000
Country/Region:	Canada
River basin:	Elk River
Type of incident:	Other non-compliance with permits, standards, or regulations
Description of penalty, i	ncident, regulatory violation, significance, and resolution:

In November 2017, Teck paid an Administrative Penalty of \$78,000 related to effluent non-compliances experienced at the Heavy Duty Steam Bay at Line Creek Operations from 2014 to 2017. Improvements to the Steam Bay effluent collection system were made to prevent recurrence of the non-compliances.

W3. Procedures

W-MM3.2

By river basin, what number of active and inactive tailings dams are within your control?

Country/Region:	Canada
River basin:	Columbia River
Number of tailings dams in operation:	5
Number of inactive tailings dams:	27
Comment:	

We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental incidents each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. We had no significant incidents at our tailings storage facilities in 2017, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. Further details are available in our sustainability report (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/).

Country/Region:	Canada
River basin:	Mackenzie River
Number of tailings dams in operation:	1
Number of inactive tailings dams:	7
Comment:	

We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental incidents each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. We had no significant incidents at our tailings storage facilities in 2017, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. Further details are available in our sustainability report (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/).

Country/Region:	Canada
River basin:	Fraser River
Number of tailings dams in operation:	1
Number of inactive tailings dams:	4
Comment:	

We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental spills each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals.

We had no significant incidents at our tailings storage facilities in 2017, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. Further details are available in our sustainability report (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/)

Country/Region:	Chile
River basin:	Other, please specify. Elqui River.
Number of tailings dams in operation:	1
Number of inactive tailings dams:	0
Comment:	

We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental spills each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. We had no significant incidents at our tailings storage facilities in 2017, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. Further details are available in our sustainability report (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/)

Country/Region:	United States of America
River basin:	Other, please specify. Kivalina River.
Number of tailings dams in operation:	1
Number of inactive tailings dams:	0
Comment:	

We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental spills each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. We had no significant incidents at our tailings storage facilities in 2017, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. Further details are available in our sustainability report (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/)

Country/Region:	Canada
River basin:	Other, please specify. Various in Quebec, Ontario,
Newfoundland, and Nunavut.	
Number of tailings dams in operation:	0
Number of inactive tailings dams:	9
Comment:	

We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental spills each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. We had no significant incidents at our tailings storage facilities in 2017, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. Further details are available in our sustainability report (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/)

Country/Region: River basin: Number of tailings dams in operation: Number of inactive tailings dams: Comment: United States of America Mississippi River 0 1

We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental incidents each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. We had no significant incidents at our tailings storage facilities in 2017, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. Further details are available in our sustainability report (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/).

Country/Region:AustraliaRiver basin:Fitzroy RiverNumber of tailings dams in operation:0Number of inactive tailings dams:1Comment:1

We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental spills each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals. We had no significant incidents at our tailings storage facilities in 2017, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. Further details are available in our sustainability report (https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/)

W-MM3.2a

To manage the potential impacts to human health or water ecosystems associated with the tailings dams in your control, what procedures are in place for all of your dams?

Procedures included in our response:

Acceptable risk levels

- Establishment of site-level guidance and standards for acceptable risk levels for occupational health and safety
- Establishment of site-level guidance and standards for acceptable risk levels for third party safety
- Establishment of site-level guidance and standards for acceptable risk levels after mine closure

• Establishment of company-wide standards for acceptable risk levels

Operating plan

- An operating plan that includes the operating constraints of the dam and its construction method
- An operating plan that includes the consequences of breaching its operating constraints
- An operating plan that includes application of appropriate engineering practices to the slope materials

14

 An operating plan that includes application of appropriate engineering practices to the foundation materials

• An operating plan that includes periodic review of the foundations and slope materials Life of facility plan

• A life of facility plan that considers the operating and closure phases

- A life of facility plan that considers design and construction phases
- A life of facility plan that considers closure and decommissioning phases
- A life of facility plan that considers post-closure

Assurance program

- An assurance program for the operating phase of the facility that details the procedures for the inspections, audits and reviews
- An assurance program for each phase of the facilities' life that includes the frequency of the various levels of inspections, audits and reviews
- An assurance program for each phase of the facilities' life that includes the scope of the various levels of inspections, audits and reviews
- An assurance program that details the competence requirements for the persons undertaking the inspections, audits and reviews

Change management process

- Inclusion of a formal change management process for the construction phase of the facility
- Inclusion of a formal change management process for the operating phase of the facility
- Inclusion of a formal change management process for the closure and decommissioning phase of the facility

Inclusion of change management process in the assurance program

Approval

- The operating plan and the life of facility plan are approved by a C-suite manager
- The results of the assurance program and the change management process are approved by the EHS manager
- The results of the assurance program and the change management process are approved by a Csuite manager

Other management procedure

• Other, please specify - Tailings Governance Reviews

Accompanying Explanatory Text:

We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada and the International Council on Mining and Metals.

We had no significant incidents at our tailings storage facilities in 2017, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. To improve tailings management, we are ensuring that we have a consistent and appropriate level of internal review and independent external review for our facilities. Where warranted, we have also adjusted our organizational structure to allow for more effective risk management. A cross-business and cross-functional Tailings Working Group and Tailings and Water Retaining Structures governance framework is established. All of our major facilities were reviewed against our internal policy and guidance documentation as of the end of 2017. Tailings Governance Reviews, a new and additional level of facility oversight we have introduced to our performance program, were conducted at 4 operations and at our 1 legacy site in 2017 to evaluate conformance with our internal tailings guidance documents and policy. In addition, all of the dam safety inspections and reviews completed by our external Engineers of Record, along with all Independent Review Board activities, were reviewed for conformance with both our internal and applicable regulatory requirements. Our internal guidelines are consistent with both ICMM and MAC principles and guidance. As a result of our ongoing Tailings Governance Review processes, and based on themes from the MAC and ICMM advancements, we are further strengthening our guidance related to change management, enhancing integration of risk evaluation and critical controls.

W3.3

Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct Operations	
Coverage:	Full
Risk assessment procedure:	Water risks are assessed as part of other company-wide risk assessment system
Frequency of assessment:	Annually
How far into the future are risks considered?	6 to 10 years
Type of tools and methods used:	Tools on the market
	Enterprise Risk Management
Tools and methods used:	ISO 31000 Risk Management Standard
	Other, please specify. Internal company
	knowledge, HazOp, FMECA

Comment:

Water risks can pose business risks and are captured by our company's risk management process, which utilizes aspects of the ISO 31000, HazOp and FMECA methodologies. These methods are used to inform and guide the process of identifying/generating/assessing our water and water-related risks and opportunities. The water specific risks & opportunities workshops held at our operations also used a combination of the methodologies from ISO 31000, FMECA and Teck's internal risk assessment practices.

Supply Chain

None

Coverage: Risk assessment procedure: Frequency of assessment: How far into the future are risks considered? Type of tools and methods used: Tools and methods used: Comment: Water risks are not assessed for suppliers because the diversity of regions where we source our

key inputs significantly reduces our associated water risks. We continue to improve our understanding of the water risks associated with our key inputs.

Other stages of the value chain

None

Coverage: Risk assessment procedure: Frequency of assessment: How far into the future are risks considered? Type of tools and methods used: Tools and methods used: Comment: Water risks are not assessed for our value chain because the diversity of regions where our products are used significantly reduces our associated water risks. We continue to improve our understanding of the water risks associated with our key customers and value chain.

W3.3b

Which of the following contextual issues are considered in your organization's water-related risk assessments?

Water availability at a basin/catchment level

Relevance & inclusion: Relevant, always included

Please explain: Water is essential for all of our operations. Our operations have developed and maintain water management plans and water balances to assess risks and opportunities to current and future water availability and quality. Our operations are also engaged in determining water requirements and risks within the natural environment for ensuring viability of local ecosystems and collecting and evaluating relevant water quality and quantity data. The risks and opportunities assessment also include the communities and ecosystems in which we operate. We employ a variety of techniques to help understand these issues, including internal company knowledge, general water-risk guidance and tools, such as WRI water stress definition and WRI Aqueduct, and Teck specific procedures, including ISO 31000, HazOp, FMECA, and other processes.

Water quality at a basin/catchment level

Relevance & inclusion:	Relevant, always included
Please explain:	Water is essential for all of our operations. Our operations have developed and maintain water management plans and water balances to assess risks and opportunities to current and future water availability and quality. Our operations are also engaged in determining water requirements and risks within the natural environment for ensuring viability of local ecosystems and collecting and evaluating relevant water quality and quantity data. The risks and opportunities assessment also include the communities and ecosystems in which we operate. We employ a variety of techniques to help understand these issues, including internal company knowledge, general water-risk guidance and tools, such as WRI water stress definition and WRI Aqueduct, and Teck specific procedures, including ISO 31000, HazOp, FMECA, and other processes.

Stakeholder conflicts concerning water resources at a basin/catchment level

Relevant, always included
Consistent with their position in the mining life cycle and the time
remaining until operational activities cease, our operations engage with
communities of interest (COI) in the watersheds where we operate to
identify water-related interests and concerns, including current and future
water-related requirements. For example, Teck is engaging with
numerous COIs as part of our efforts to address water quality
constituents released by mining activities throughout the Elk River
watershed, where five of our steelmaking coal operations are located.
Internal company knowledge and Teck procedures and tools, including
our ongoing stakeholder engagement activities and our Social
Management and Responsibility at Teck (SMART) Framework toolkit are
utilized in the assessment of this issue. More information on this can be
found at: http://www.teck.com/responsibility/sustainability-
topics/water/water-quality-in-the-elk-valley/

Implications of water on your key commodities/raw materials

Relevance & inclusion: Not relevant, explanation provided

Please explain:	Water risks are not assessed for suppliers because the diversity of regions where we source our key inputs significantly reduces our associated water risks. We do not currently believe these key inputs are sourced from regions that are significantly exposed to water risks that have the potential to generate a substantive change in our business and we also do not anticipate that this will be change in the future. We continue to improve our understanding of the water risks associated with our key inputs, including energy from fuels and electricity, explosives, grinding media, and chemicals such as sulphuric acid and lime, and assess the implications of new information as it is obtained.
Water-related regulatory frame	works
Relevance & inclusion Please explain:	 Relevant, always included We factor the current and future regulatory frameworks and tariffs at our operations when we assess regulatory and/or tariff risks. We continually engage with regulators to ensure potential changes in fees and regulations are understood prior to implementation. For example, in British Columbia, where we have 7 operations, we actively participated in the government-led consultation on the development of the new Water Sustainability Act, and engaged with regulators on its application. Internal company knowledge and Teck specific procedures, including ISO 31000, HazOp, FMECA, are utilized in the assessment of this issue.
Status of ecosystems and habi	tats
Relevance & inclusion Please explain:	Relevant, always included We assess local ecosystems and habitat carefully prior to and during operations and incorporate measures to mitigate or offset impacts. At each of our operations, we have developed biodiversity management plans focused on our long-term vision of having a net positive impact. Internal company knowledge and Teck specific procedures, including ISO 31000, HazOp, FMECA, and other processes are utilized to understand this issue.
Access to fully-functioning, saf Relevance & inclusion Please explain:	ely managed WASH services for all employees Relevant, always included We assess access to fully-functioning and safely managed WASH services for all employees prior to and during operations. Our employees and their health and safety is central to our success and a key focus area of our sustainability strategy and we consider employees in our water risk and opportunity assessments to ensure access to appropriate potable water and sanitation facilities. Internal company knowledge and Teck specific procedures, including ISO 31000, HazOp, FMECA, and other processes are utilized to understand this issue.
Other contextual issues, please Relevance & inclusion Please explain:	e specify

W3.3c

Which of the following stakeholders are considered in your organization's water-related risk assessments?

Customers

Relevance & inclusion: Please explain:	Not relevant, explanation provided Our customers are not directly relevant to our operation's water risk assessments because of the lack of exposure in our value chain to water-related risk that has the potential to generate a substantive change in our business. We also do not anticipate this to be a relevant risk to our operations in the short term.		
Employees Relevance & inclusion: Please explain:	Relevant, always included Our employees and their health and safety is central to our success and a key focus area of our sustainability strategy and we consider employees in our water risk and opportunity assessments to ensure access to appropriate potable water and sanitation facilities. Across our company, occupational hygiene programs and procedures help prevent occupational exposures that could give rise to occupational illnesses. In 2015, the Occupational Health and Hygiene Committee developed and issued a self-assessment tool that was applied across all sites to determine the type of occupational health and hygiene programs in place. The results were used to guide future strategy and improvement. In 2016, we completed comprehensive occupational exposure risk assessments at 10 operations and developed a company-wide standard for hygiene programs. In 2017, we worked to enhance our occupational health and hygiene risk assessments, monitoring and exposure controls to protect the long-term health of employees. We set a lead indicator target for 2017 for every operation to complete the development of an exposure reduction plan and, at the end of the year, all our operations successfully developed their plans. We also completed planning for the introduction of a new software application to significantly improve the capture and management of our occupational exposure monitoring data, as part of our broader occupational health and hygiene strategy.		
Investors Relevance & inclusion: Please explain:	Relevant, always included Enhancing shareholder and investor interests is fundamental to our business through ensuring the long-term viability of our operations by managing water risks. Through our annual Sustainability Report, we communicate in a transparent manner on the economic, social and environmental topics that are most important to our communities of Interest and to our business. The Sustainability Report is focused on demonstrating the connection between our sustainability performance, including water stewardship, and our financial performance. For the purpose of our annual sustainability reporting, we engage internal and external resources, consult with our communities of interest and review our operating environment to identify the most material topics that faced our business and our communities that year. This process is guided by the Global Reporting Initiative's G4 Principles for Defining Report Content (GRI Guidelines). Our sustainability report can be viewed online: http://www.teck.com/responsibility		
Local communities Relevance & inclusion: Please explain:	Relevant, always included Our operations engage and consult with local communities to identify and address water-related interests and concerns, including current and future water-related requirements. We consider local communities in our		
19			

water-related risk assessments. Community engagement is guided by our Social Management and Responsibility at Teck (SMART) Framework. In addition, we conduct more significant community consultation processes, including with Indigenous communities, as port of permitting processes for major projects. We demonstrate our performance in community consultation and engagement by reporting via our sustainability report on impact management, general feedback received, grievances and disputes. In 2017, we received feedback and grievances through mechanisms established across our sites. Common topics were related to environment questions and concerns (which includes issues related to water), indigenous-related concerns or concerns originating from indigenous COIs, and our mining activities. Environment questions and concerns accounted for 24% of the feedback received and 52% of the grievances received.

NGOs

Relevance & inclusion: Relevant, always included

We engage with local and international NGOs to identify water-related interests and concerns. We consider NGOs in our water-related risk assessments. Community engagement, including NGOs, is guided by our Social Management and Responsibility at Teck (SMART) Framework. In 2017, we received feedback and grievances through mechanisms established across our sites. Common topics were related to environment questions and concerns (which includes issues related to water), indigenous-related concerns or concerns originating from indigenous COIs, and our mining activities. Environment questions and concerns accounted for 24% of the feedback received and 52% of the grievances received.

Other water users at a basin/catchment level

Please explain:

Relevance & inclusion: Relevant, always included

Please explain:	Our operations engage with other local water users to identify water- related interests and concerns. When implementing our water management practices, we consider and engage with other water users within the watersheds where we operate. Community and water user engagement is guided by our Social Management and Responsibility at Teck (SMART) Framework. In 2017, we received feedback and grievances through mechanisms established across our sites. Common topics were related to environment questions and concerns (which includes issues related to water), indigenous-related concerns or concerns originating from indigenous COIs, and our mining activities. Environment questions and concerns accounted for 24% of the feedback received and 52% of the grievances received.

Regulators

Relevance & inclusion:Relevant, always includedPlease explain:We continually engage with regulators and legislators through personnel
from our operations, business units and at corporate to ensure changes
in regulatory frameworks and tariffs at our operations are understood
prior to implementation of changes and application for new permits.

River basin management authorities

Relevance & inclusion: Not relevant, explanation provided

	Please explain:	We do not have operations located in river basins where a management authority exists. We do, however, continuously engage with the regulatory bodies at the watershed level on water management and compliance in each jurisdiction where we have operations. River basin management authorities may emerge but we do not envision changes in the short term.
Statuto	ry special interest groups Relevance & inclusion: Please explain:	s at a local level Relevant, always included Our operations engage with statutory special interest groups to identify water-related interests and concerns. We consider these special interest groups in our water-related risk assessments. Community engagement, including statutory special interest groups, is guided by our Social Management and Responsibility at Teck (SMART) Framework. In 2017, we received feedback and grievances through mechanisms established across our sites. Common topics were related to environment questions and concerns (which includes issues related to water), indigenous- related concerns or concerns originating from indigenous COIs, and our mining activities. Environment questions and concerns accounted for 24% of the feedback received and 52% of the grievances received.
Supplie	rs Relevance & inclusion: Please explain:	Not relevant, explanation provided Our key inputs include energy (fuels and electricity), explosives, grinding media, and chemicals such as sulphuric acid and lime. We do not currently believe our supply chain for these materials is significantly exposed to a water-related risk that has the potential to generate a substantive change in our business and we also do not anticipate that this will be change in the future.
Water ເ	utilities at a local level Relevance & inclusion: Please explain:	Relevant, always included Our operations are engaging with local water utilities/suppliers where relevant to identify water-related interests and concerns. We consider local water utilities/suppliers in our water-related risk assessments. Engagement with water utilities/suppliers is guided by our Social Management and Responsibility at Teck (SMART) Framework. In 2017, we received feedback and grievances through mechanisms established across our sites. Common topics were related to environment questions and concerns (which includes issues related to water), indigenous- related concerns or concerns originating from indigenous COIs, and our mining activities. Environment questions and concerns accounted for 24% of the feedback received and 52% of the grievances received.

W3.3d

Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Water risks and opportunities are used to inform decision making at the operation level for the life of the operation, and at the corporate level to assess expansion opportunities and to inform strategic planning activities. Each operation and business function maintains and annually updates a risk register in accordance with a standardized risk management system approach to identifying and assessing all risks, including water-

related risks. The risk register is used to inform risk management decisions at the operation and corporate level, for the life of the operation. For example, two of our operations are located in arid regions where the demand for water may result in water resources becoming unavailable or more costly. This risk has the potential to impact the viability of new projects in arid regions. There is also a potential to increase operating and capital costs. The risk posed by potential water scarcity in arid regions is incorporated into the risk register at the operational and corporate wide level. As a result of this risk, we are developing alternative water sources as part of our long term growth strategy. In addition, water-specific risk and opportunity workshops have been completed at all operations and actions to address the risks and opportunities have been embedded into a water management plan at each operation. These water management plans are also reviewed and updated on an annual basis. At the company-level, water is integrated into a comprehensive, company-wide strategic-level risk assessment process. Committees composed of board members and/or senior management frequently review and assess both the process of risk and opportunity identification and the risks and opportunities themselves. We also complete risk assessments with external third parties such as geotechnical and hydrology experts. Through these processes, our water risks help define our growth strategy.

W4. Risks and opportunities

W4.1

Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations.

W4.1a

How does your organization define substantive financial or strategic impact on your business?

We define substantive change from water risks, to our direct operations, to include:

- sanctions corresponding to an interruption of production or cessation of activity for a short-term but finite duration;

- significant, longer-term or offsite community or environmental impact requiring significant mitigation or additional long-term controls; and/or,

- financially, we define a substantive change to an operation using a cost threshold.

We use these definitions to determine the severity of incidents and in 2017 we did not have any incidents that met these thresholds.

W4.1b

What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

Row 1

Total number of facilities exposed to water risk:	7	
% company-wide facilities this represents:		51-75
Comment:		

W4.1c

By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive impact on your business, and what is the potential business impact associated with those facilities?

Country/Region:	Chile Other please specify Floui River
Number of facilities exposed to water risk:	
% company-wide facilities this represents:	1-25
Production value for the metals & mining activities asso 407.000.000	ciated with these facilities:
% company's total global revenue that could be affected Comment:	d: 1-25
Country/Region:	Chile
River basin:	Other, please specify. Quebrada Choja
Number of facilities exposed to water risk:	1
% company-wide facilities this represents:	1-25
Production value for the metals & mining activities asso 289.000.000	ciated with these facilities:
% company's total global revenue that could be affected	J: 1-25
Comment:	
Country/Region:	Canada
River basin:	Other, please specify. Elk River.
Number of facilities exposed to water risk:	5
% company-wide facilities this represents:	26-50
Production value for the metals & mining activities asso 2,800,000,000	ciated with these facilities:
% company's total global revenue that could be affected	d: 1-25

Comment:

W4.2

Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Region: River basin: Type of risk: Primary risk driver: Primary potential impact: Company-specific description:	Chile Other, please specify. Elqui River Physical Increased water scarcity Increased operating costs Demand for water in arid and semi-arid regions may result in water resources becoming unavailable or more costly. This has the potential to impact the viability of new projects in arid regions. There is also a potential to increase operating and capital costs for existing and new projects for water supply.
Timeframe:	Water scarcity concerns may also lead to increased regulation and reduced water rights for the mining sector. More than 6 years
Magnitude of potential impact:	Medium
Likelihood:	Likely
Potential financial impact:	0

Explanation of financial impact:	Potential financial impacts will vary depending on root cause and selected mitigation response. Teck continues to assess potential costs of different response strategies.
Primary response to risk: Description of response:	Engage with local communities Stakeholder engagement and collaboration on water allocation and associated regulations. Other responses include developing and utilizing alternative water sources (e.g. seawater, municipal wastewater).
Cost of response:	,
Explanation of cost of response:	Potential costs of response will vary depending on root cause and selected mitigation response. Teck continues to assess potential costs of different response strategies.
Country/Region: River basin: Type of risk:	Chile Other, please specify. Quebrada Choja. Physical
Primary risk driver: Primary potential impact:	Increased water scarcity Increased operating costs
Company-specific description:	Demand for water in arid and semi-arid regions may result in water resources becoming unavailable or more costly. This has the potential to impact the viability of new projects in arid regions. There is also a potential to increase operating and capital costs for existing and new projects for water supply. Water scarcity concerns may also lead to increased regulation and reduced water rights for the mining sector.
Timeframe:	More than 6 years
Magnitude of potential impact: Media	JM
Likelihood:	Likely
Potential financial impact: Explanation of financial impact:	0 Potential financial impacts will vary depending on root cause and selected response. Teck continues to assess potential costs of different response strategies.
Primary response to risk: Description of response:	Engage with customers Stakeholder engagement and collaboration on water allocation and associated regulations. Other responses include developing and utilizing alternative water sources (e.g. seawater, municipal wastewater).
Cost of response:	
Explanation of cost of response:	Potential costs of response will vary depending on root cause and selected mitigation response. Teck continues to assess potential costs of different response strategies.
Country/Region: River basin: Type of risk:	Canada Other, please specify. Elk River. Regulatory
Primary risk driver: Primary potential impact: Company-specific description:	Other, please specify. Water Quality exceeding regulatory target. Increased operating costs Potential impact include increasing concentrations of selenium observed in the Elk River of British Columbia, where we operate 5 steelmaking coal mines.
Timeframe: Magnitude of potential impact: Media Likelihood: Potential financial impact:	More than 6 years um-low Likely 110,000,000

Explanation of financial impact:	We expect the long-term costs of water management, including capital and operating costs, to average in the range of \$4 per tonne of steelmaking coal (assuming annual production of 27.5 million tonnes). Final costs of implementing the Plan will depend in part on the technologies applied and on the results of ongoing environmental monitoring.
Primary response to risk:	Engage with customers
Description of response:	We have developed the Elk Valley Water Quality Plan (the Plan), which defines the actions we will take to mitigate impacts and to stabilize selenium concentrations downstream from our mining operations. Our strategy includes significant investment focused on water treatment facilities, water diversions, research and development, monitoring, and stakeholder engagement. The cost of the response strategy is our budget estimate to implement the Plan, including costs and investments already incurred by the Plan.
Cost of response:	100,000,000
Explanation of cost of response:	We developed the Elk Valley Water Quality Plan (the Plan), defining actions to mitigate impacts and stabilize selenium concentrations downstream of our operations. Our strategy includes investments focused on treatment facilities, diversions, R&D, monitoring, and stakeholder engagement. The cost of the response strategy is our budget estimate to implement the Plan. In 2016, we spent approximately \$40 million implementing the Plan and in 2017, we expect to have spent approximately \$100 million.

W4.2c

Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

Row 1

Primary reason: Ris	sks exist, but no substantive impact anticipated
Please explain:	Our key inputs include energy (fuels and electricity), explosives, grinding media, and chemicals such as sulphuric acid and lime. We do not currently believe our supply chain for these materials is significantly exposed to a water-related risk that has the potential to generate a substantive change in our business. The risk identification procedures discussed under questions W3 to W4.2 comprehensively address our relevant risks, which would include supply risks where present. That process does not find supply chain water risks relevant at this time and we do not anticipate that this will change in the future. The risk assessment process occurs annually.

W4.3

Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized.

W4.3a

Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity: Primary water-related opportunity:	Markets Strengthened social license to operate
Estimated timeframe for realization: Magnitude of potential financial impact:	Recognize water as an important opportunity, engage early and broadly, operate responsibly. This opportunity will increase our potential to gain a community's approval and potentially improve timelines for the permitting process. This may reduce project costs and timelines by identifying more collaborative approaches and by engaging proactively with communities of interest. For example, Teck is engaging with numerous Communities of Interest (COIs) as part of our efforts to address water quality constituents released by mining activities throughout the Elk River watershed, where five of our steelmaking coal operations are located. We also engage early and frequently as part of new project development activities. Current – up to 1 year Unknown
Potential financial impact:	0 Einancial impact is uncortain. Our
	community engagement process is critical to long-term business viability in the Elk River watershed. More information on this can be found at: http://www.teck.com/responsibility/app roach-to-responsibility/our- sustainability-strategy/
Type of opportunity: Primary water-related opportunity: Company-specific description & strategy to realize	Markets Increased brand value ze opportunity: Identify and develop water related opportunities such as generating revenue from renewable energy from water infrastructure or extracting metals as part of water treatment processes.
Estimated timeframe for realization: Magnitude of potential financial impact: Potential financial impact: Explanation of financial impact:	>6 years Unknown 0 Financial impact is uncertain from the
-	
Type of opportunity:	Efficiency

26

Primary water-related opportunity: Improved water efficiency in operations Company-specific description & strategy to realize opportunity: Identify and implement projects to improve water use efficiency. Water use efficiency can be improved through enhanced water recycling and reuse. In 2017, we continued to work towards improving our water use efficiency at our operations. For example, we have conducted trials to minimize the volume of water required for dust control. By adding a surfactant to the water used for dust control on our haul roads, our trials have demonstrated that we can reduce the volume of water needed by half, which also creates cost savings in labour and energy (fuel) consumption for our water trucks. We estimate that we can cut costs associated with dust control at an operation by almost half, which typically are on the order of millions of dollars per year. The results of the trials are being analyzed and we are expecting to use the results for developing guidance on best practices. Estimated timeframe for realization: 1 to 3 years Magnitude of potential financial impact: Unknown Potential financial impact: 0 Explanation of financial impact: Financial impact is uncertain due to range of potential efficiency improvement projects. Type of opportunity: Markets Primary water-related opportunity: Increased brand value Company-specific description & strategy to realize opportunity: Establish reputation as an industry leader in water stewardship 1 to 3 years Estimated timeframe for realization: Magnitude of potential financial impact: 0 Potential financial impact: Financial impact is uncertain. Explanation of financial impact:

W5. Facility-level water accounting

W5.1

For each facility referenced in W4.1c, provide coordinates, total water accounting data and comparisons with the previous reporting year.

Facility reference number:	Facility 1	
Facility name (optional):	Carmen de Andacollo Operatio	ons
Country/Region:	Chile	
River basin:	Other, please specify	
	Elqui River	
Latitude:	-30.242	
Longitude:	-71.083	
Total water withdrawals at this	facility (megaliters/year):	12,343
Comparison of the withdrawals	with previous reporting year:	About the same
Total water discharges at this fa	acility (megaliters/year):	2,796
Comparison of discharges with	previous reporting year:	About the same
Total water consumption at this	facility (megaliters/year):	8,814
Comparison water consumption	n with previous reporting year:	About the same
Please explain:		

No significant change from previous year as ore processing rates remained similar.

Facility reference number:	Facility 2	
Facility name (optional):	Quebrada Blanca Operations	
Country/Region:	Chile	
River basin:	Other, please specify	
	Quebrada Choja	
Latitude:	-21.05	
Longitude:	-68.83	
Total water withdrawals at this facility (megaliters/year): 3,066		
Comparison of the withdrawals with previous reporting year: Higher		
Total water discharges at this fa	cility (megaliters/year):	371
Comparison of discharges with previous reporting year: About the same		
Total water consumption at this facility (megaliters/year): 2,620		
Comparison water consumption with previous reporting year: Higher		
Please explain:		

Water withdrawals and consumption were slightly higher in 2017 due to increased precipitation at site. Water discharge was similar to 2016 because the commitment is to maintain flows into Quebrada Blanca (downstream of operation).

Facility reference number:	Facility 3	
Facility name (optional):	Elk Valley Operations (CMO, L	CO, EVO, GHO, FRO)
Country/Region:	Canada	
River basin:	Other, please specify	
	Elk River	
Latitude:	49.8833	
Longitude:	-114.85	
Total water withdrawals at this f	acility (megaliters/year):	196,551
Comparison of the withdrawals with previous reporting year: About the same		
Total water discharges at this facility (megaliters/year): 190,757		
Comparison of discharges with	previous reporting year:	About the same
Total water consumption at this facility (megaliters/year): 6,488		
Comparison water consumption	with previous reporting year:	About the same
Please explain:		

Withdrawals and discharge volumes remained were similar to 2016 and are influenced by climatic variability. Water consumption remained very similar to 2016 and is influenced by production rates and evaporation.

W5.1a

For each facility referenced in W5.1, provide withdrawal data by water source.

Facility referenc	e number:	Facility 1	
Facility name:		Carmen de Andacollo Operations	
Fresh surface w	ater, including rainwater	, water from wetlands, rivers and lakes:	960
Brackish surface	e water/seawater:	0	
Groundwater - r	renewable:	11,384	
Groundwater - r	non-renewable: 0		
Produced water	:	0	
Third party sour	ces:	0	
Comment:	Based on CDP's guidan	ce, we include intercepted precipitation in	n our surface water
	inputs. The increase of s	surface water inputs in 2017, compared t	o 2016 is the result of
	significant rainfall at site		

Facility reference number: Facility 2 Facility name: Quebrada Blanca Operations Fresh surface water, including rainwater, water from wetlands, rivers and lakes: 910 Brackish surface water/seawater: 0 Groundwater - renewable: 2,156 Groundwater – non-renewable: 0 0 Produced water: Third party sources: 0 Comment: Based on CDP's guidance, we include intercepted precipitation in our surface water inputs. The significant increase of surface water inputs in 2017, compared to 2016, is the result of significant rainfall at site. Facility reference number: Facility 3 Elk Valley Operations (CMO, LCO, EVO, GHO, FRO) Facility name: Fresh surface water, including rainwater, water from wetlands, rivers and lakes: 192,341 Brackish surface water/seawater: 0 Groundwater - renewable: 4,207 Groundwater - non-renewable: 0 Produced water: 0 Third party sources: 3 Comment: Based on CDP's guidance, we include intercepted precipitation in our surface water inputs. Results are total volume for the five operations in the Elk River basin defined as "Facility 3".

W5.1b

For each facility reference in W5.1, provide discharge data by destination.

Facility reference Facility name: Fresh surface w Brackish surface Groundwater: Third party dest Comment:	e number: rater: e water/Seawater: inations: 0 We do not discharge to Andacollo, there are no volumes from previous y	Facility 1 Carmen de Andacollo Operations 0 0 1,057 sea or wastewater for another organization. At Carmen de surface water discharges. No significant change in discharge year.
Facility reference Facility name: Fresh surface w Brackish surface Groundwater: Third party dest Comment:	e number: rater: e water/Seawater: inations: 0 We do not discharge to Blanca, there are no sur volumes from previous y	Facility 2 Quebrada Blanca Operations 255 0 115 sea or wastewater for another organization. At Quebrada face water discharges. No significant change in discharge year.
Facility reference Facility name: Fresh surface w Brackish surface Groundwater:	e number: rater: e water/Seawater:	Facility 3 Elk Valley Operations (CMO, LCO, EVO, GHO, FRO) 162,512 0 28,425

2018 CDP Water Security Questionnaire Teck Resources Ltd.

0

Third party destinations:

Comment: We do not discharge to sea or wastewater for another organization. Results are total volume for the five operations included in "Facility 3".

W5.1c

For each facility referenced in W5.1, provide the proportion of your total water use that is recycled or reused, and give the comparison with the previous reporting year.

Facility reference number: Facility 1 Facility name: Carmen de Andacollo Operations % recycled or reused: 76-99% Comparison with previous reporting year: About the same Please explain: No significant change from previous year as ore processing rates remained similar. Facility reference number: Facility 2 Facility name: Quebrada Blanca Operations % recycled or reused: 76-99% Comparison with previous reporting year: About the same Please explain: No significant change from previous year as ore processing rates remained similar. Facility reference number: Facility 3 Facility name: Elk Valley Operations (CMO, LCO, EVO, GHO, FRO) % recycled or reused: 51-75% Comparison with previous reporting year: Higher Please explain: The reuse/recycle increase from 2016 is due in part by an increase in coal processing rates. Results are total reuse/recycle volumes for the five operations included in "Facility 3".

W5.1d

For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

<i>Water withdrawals – total volumes</i> % verified: 76-100	
What standard and methodology was used?	PricewaterhouseCoopers LLP was engaged to provide assurance on selected sustainability areas for the year ended December 31, 2017. For 2017, water withdrawals were verified at all our active operations following the ICMM standard procedure for assurance.
Water withdrawals – volume by source % verified: 76-100	
What standard and methodology was used?	PricewaterhouseCoopers LLP was engaged to provide assurance on selected sustainability areas for the year ended December 31, 2017. For 2017, water withdrawals were verified at all our active operations following the ICMM standard procedure for assurance.
Water withdrawals – quality % verified: Not verified	
What standard and methodology was used?	The scope of PricewaterhouseCoopers assurance on our water data is limited to total water withdrawals volume.
Water discharges – total volumes	
	30

% verified: What standard and r	Not verified nethodology was used?	The scope of PricewaterhouseCoopers assurance on our water data is limited to total water withdrawals
		volume.
Water discharges – % verified:	<i>volume by destination</i> Not verified	
What standard and r	nethodology was used?	The scope of PricewaterhouseCoopers assurance on our water data is limited to total water withdrawals volume.
Water discharges – % verified:	volume by treatment metho Not verified	d
What standard and r	nethodology was used?	The scope of PricewaterhouseCoopers assurance on our water data is limited to total water withdrawals volume.
Water discharges qu % verified:	<i>ality – quality by standard e</i> Not verified	effluent parameters
What standard and r	nethodology was used?	The scope of PricewaterhouseCoopers assurance on our water data is limited to total water withdrawals volume.
Water discharges qu % verified:	<i>ality – temperature</i> Not verified	
What standard and r	nethodology was used?	The scope of PricewaterhouseCoopers assurance on our water data is limited to total water withdrawals volume.
Water consumption - % verified:	<i>– total volume</i> Not verified	
What standard and r	nethodology was used?	The scope of PricewaterhouseCoopers assurance on our water data is limited to total water withdrawals volume.
Water recycled/reus	ed	
% verified:	Not verified	
What standard and r	nethodology was used?	I he scope of PricewaterhouseCoopers assurance on our water data is limited to total water withdrawals volume.

W6. Governance

W6.1

Does your organization have a water policy?

 \checkmark Yes, we have a documented water policy that is publicly available

W6.1a

Select the options that best describe the scope and content of your water policy.

Row 1

Scope:	Company-wide
Content:	Description of business dependency on water
	Description of business impact on water
	Description on water related performance standards for direct operations
	Reference to international standards and widely-recognized water initiatives
	Company water targets and goals
	Commitments beyond regulatory compliance

Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change

Explanation:

In 2017, we released a new Water Policy and established a Water Governance framework for improving water stewardship across our company. In addition, we continued our participation in the CEO Water Mandate, a United Nations Global Compact initiative that mobilizes business leaders to advance water stewardship, sanitation, and the Sustainable Development Goal 6 in partnership with the United Nations, governments, peers, civil society and others. We also continue to work towards our 2020 and 2030 Sustainability Goals for Water. Additional information is available here:

https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/material-topics/water-stewardship/

Our Water Policy is available on our website: https://www.teck.com/media/Policies-Teck-Water-Policy.pdf

W6.2

Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

Identify the position(s) of the individual(s) on the board with responsibility for water-related issues.

Position of individual:	Director on board
Please explain:	At the Board level, the Committee on Safety and Sustainability provides
	oversight of water issues and strategies.

W6.2b

Provide further details on the board's oversight of water-related issues.

Row 1

Frequency that water- related issues are a schedules agenda item:

✓ Scheduled – all meetings

Governance mechanisms into which water-related issues are integrated:

- Monitoring implementation and performance
- ✓ Overseeing acquisitions and divestiture
- ✓ Overseeing major capital expenditures
- ✓ Reviewing and guiding annual budgets
- ✓ Reviewing and guiding business plans
- ✓ Reviewing and guiding major plans of action
- ✓ Reviewing and guiding risk management policies
- ✓ Reviewing and guiding strategy
- ✓ Reviewing and guiding corporate responsibility strategy
- ✓ Reviewing innovation/R&D priorities
- ✓ Setting performance objectives

Please explain:

W6.3

Below board level, provide the highest-level management position(s) or committee(s) with responsibility for water-related issues.

Name of the position(s) and/or committee(s): Chief Executive Officer (CEO) Responsibility: Both assessing and managing water-related risks and opportunities Frequency of reporting to the board on water-related issues: Quarterly Please explain: The CEO and the Senior Management Team are responsible for operational water issues and strategy. Water issues and strategy are reviewed and action plans defined as part of regular activities and reported to the Board guarterly as part of the Board Safety and Sustainability Committee meetings. In addition, a Water Steering Committee made up of Senior Managers has been established to develop a Water Strategy. Name of the position(s) and/or committee(s): : Risk committee Responsibility: Assessing water-related risks and opportunities Frequency of reporting to the board on water-related issues: Quarterly Please explain: Water issues and strategy are reviewed and as part of the quarterly Health,

Safety, Environment, and Community Risk Management Committee that is made

W-FB6.4/W-CH6.4/W-EU6.4/W-OG6.4/W-MM6.4

up of Senior Management.

Do you provide incentives to C-suite employees or board members for the management of waterrelated issues?

✓ Yes

What incentives are provided to C-suite employees or board members for the management of water-related issues?

	Who is entitled to benefit from these incentives?	Indicator for incentivized performance	Please explain
Monetary Reward	Corporate executive team Chief Executive Officer	Effluent quality improvements Other: Water stewardship, sustainability goals	Implementation of Teck's 2020 sustainability goals is part of our Sr. VP Sustainability and External Affairs personal objectives. Our sustainability goals are also a factor in Teck's bonus structure affecting all executives. In addition, the bonus ratings for Teck's

			executive may include specific objectives related to water management.
Recognition (non- monetary)	Corporate executive team Chief Executive Officer	Other: Leadership in water stewardship	We have long recognized that water is an important sustainability challenge and our most material issue. Our longevity requires us to be effective stewards of water. Leadership in water stewardship is a strategic priority for Teck.
Other non-monetary reward	No one is entitled to these incentives		

W6.5

Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

- ✓ Yes, direct engagement with policy makers✓ Yes, trade associations
- ✓ Yes, funding research organizations

W6.5a

What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Activities that directly or indirectly influence public policy on water including direct engagement with policy makers, trade associations, and funding of research are all reviewed and approved as part of the activities of our Senior Management Team, our Water Steering Committee, our HSEC Risk Management Committee, and/or our Board Committee on Safety and Sustainability to ensure that the activities are consistent with our Water Policy and Water Governance framework.

W7. Business strategy

W7.1

Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

Long-term business objectives Are water-related issues integrated? ✓ Yes, water-related issues are integrated Long-term time horizon (years): √ 16-20 Please explain:

Integrating sustainability, including water, into our business are a core part of our long term business objectives. In 2010, we developed a publicly available and company-wide sustainability strategy to define Teck's vision, short term goals, and long term goals in key focus areas, including water. Our long-term goals span through to 2030 and are intended to drive our water strategy and actions; our first set of short-term goals spanned from 2011 to 2015 and our second set of short-term goals span from 2016 to 2020. Our short-term goals identify the steps towards our long-term goals.

Strategy for achieving long-term objectives

Are water-related issues integrated?

✓ Yes, water-related issues are integrated

Long-term time horizon (years):

✓ 5-10

Please explain:

Integrating sustainability, including water, into our business are a core part of our long term business objectives. In 2010, we developed a publicly available and company-wide sustainability strategy to define Teck's vision, short term goals, and long term goals in key focus areas, including water. Our long-term goals span through to 2030 and are intended to drive our water strategy and actions; our first set of short-term goals spanned from 2011 to 2015 and our second set of short-term goals span from 2016 to 2020. Our short-term goals identify the steps towards our long-term goals.

Financial planning

Are water-related issues integrated?

Yes, water-related issues are integrated

Long-term time horizon (years):

✓ 5-10

Please explain:

Our annual and five years financial plans incorporate water related issues and activities that support the achievement of our water goals.

W7.2

What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change): Anticipated forward trend for CAPEX (+/- % change): Water-related OPEX (+/- % change): Anticipated forward trend for OPEX (+/- % change): Please explain: CAPEX/OPEX details are not classified into water-related and nonwater-related spending. However, we recognize that our water-related costs are increasing.

W7.3

Does your organization use climate-related scenario analysis to inform its business strategy?

Row 1

Use of climate-related scenario analysis: Yes Comment:

We recognize that ongoing changes to climate could pose a potential physical risk to our mining operations and related infrastructure. In response, we are incorporating a range of climate parameters into project designs and ongoing mine planning processes, including closure and reclamation planning, to minimize our vulnerability to climate variability. In 2017, we participated in the Pacific Climate Impacts Consortium as members of the Program Advisory Committee, and in the Working Group of the Sustainable Water Management in the Athabasca River Basin Initiative that focused on addressing climate variability and climate change in a watershed management context. In early 2018, we released a Climate Action and Portfolio Resilience report where we summarize Teck's climate action strategy, goals and performance; discuss key climate-related risks and opportunities for our businesses; and consider potential implications for Teck of two commonly used climate-related scenarios.

W7.3a

Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response? This question only appears if you select "Yes" in response to W7.3a

Row 1

Climate-related scenario(s):

✓ Other, please specify Internally developed climate scenarios Description of possible water-related outcomes:

> Our operations have developed water management plans and water balances to assess risks and opportunities to current and future water availability, including impacts from climate. These are updated on an annual basis, or more frequently, as needed. The climate scenarios developed are site-specific and based on statistical evaluation of historical site-specific and regional meteorological data to develop statistics of future climate conditions.

Company response to possible water-related outcomes:

Our operations have developed water management plans and water balances to assess risks and opportunities to current and future water availability, including impacts from climate. Results from modelling inform water management actions. For example, where climate change is predicted to reduce availability of water supply, we assess options for additional supply in conjunction with reuse of existing water supply sources and improving efficiencies of current water use within the operation.

W7.4

Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

✓ No, but we are currently exploring water valuation practices

Please explain:

Our new Water Policy commits us to integrate the cost and value of water into our business. We are working towards developing an approach for water valuation.

W8. Targets

W8.1

Describe your approach to setting and monitoring water-related targets and/or goals.

Row 1

Levels for targets and/or goals

✓ Company-wide targets and goals

- Monitoring at corporate level

 - Targets are monitored at the corporate level
 Goals are monitored at the corporate level

Approach to setting and monitoring targets and/or goals

We recently set company-wide water targets following a comprehensive review of our water risks and opportunities and identification of the most useful water targets that would support our improvement activities. Our new water targets are context-relevant and appropriately ambitious. These new water targets support our short and long term sustainability goals for water. We track progress centrally against our water targets and our sustainability goals for water. We also report on them annually, through our sustainability report, available publicly

(https://www.teck.com/responsibility/approach-to-responsibility/sustainability-report/)

W8.1a

Provide details of your water targets that are monitored at the corporate level, and the progress made.

This guestion only appears if you select "Targets are monitored at the corporate level" in response to column 2 of W8.1.

Target reference number:	Target 1
Category of target:	Water use efficiency
Level:	Country level
Primary motivation:	Increase freshwater availability for users/natural environment within the basin
Description of target:	Reduce freshwater consumption 15% by 2020 at our Chilean operations. This target is intended to contribute to an increase in availability of freshwater for other water users in the watersheds where we operate.
Quantitative metric:	Other, please specify
	% reduction in freshwater consumption
Baseline year:	2017
Start year:	2018
Target year:	2020
% achieved:	0
Please explain:	This water target was defined in mid-2018 and we are beginning activities to support achieving the target.
Target reference number:	Target 2
Category of target:	Other, please specify
	Minimizing water-related impacts
Level:	Company-wide
Primary motivation:	Reduced environmental impact
Description of target:	Zero significant water-related incidents
Quantitative metric:	Other, please specify
	# of significant water-related incidents

Baseline year:	2017
Start year:	2018
Target year:	2020
% achieved:	0
Please explain:	This water target was defined in mid- 2018 2018 and we are beginning activities to support achieving the target.

W8.1b

Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal: Level: Motivation: Description of goal:	Other, please specify Company-wide Water stewardship Contribute to watershed manage use efficiency projects, use of al improvements measures, and ca an industry leader in water stew our operations and development	Water stewardship ement in water stressed regions through water ternative water sources, water quality apacity building. This goal will position Teck as ardship and maintain community acceptance of t projects.
Baseline year: Start year: End year:	2015 2016 2020	
Progress:	In progress and on track to meet implementation of the Elk Valley regions have completed the ident projects and have initiated impler	the 2020 goal. We are conducting ongoing Water Quality Plan. Operations in water scarce tification and prioritization of water use efficiency mentation.
Goal: Level: Motivation: Description of goal: Baseline year: Start year: End year: Progress:	Other, please specify Company-wide Risk mitigation Increase our understanding of g risks. 2015 2016 2020	Groundwater risk mitigation roundwater and proactively assess groundwater
Flogress.	information from all operations. F groundwater model.	Priority operations are developing a site-wide
Goal: Level: Motivation: Description of goal: Baseline year: Start year: End year: Progress:	Other, please specify Company-wide Cost savings Collaborate in developing innova 2015 2016 2020 In progress and on track to meet conducting a full-scale trial of sat water treatment alternatives to ac	Water technology and innovation ative water technology and practice. the 2020 goal. As an example, we are urated rock fill technology to help understand ddress water quality issues in the Elk Valley.

W9. Linkages and trade-offs

W9.1

Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?

Yes

W9.1a

Describe the linkages or tradeoffs and the related management policy or action. *This question only appears if you select "Yes" in response to W9.1.*

Linkage or tradeoff: ✓ Linkage Type of linkage/tradeoff: Other, please specify Energy consumption and GHG emissions Description of linkage/tradeoff:

Minimizing water use intensity and maximizing water reuse has a positive impact in reducing our energy consumption and greenhouse gas emissions as we pump water shorter distances as we reuse water already available within an operation's footprint. At our operations, we have conducted trials to minimize the volume of water required for dust control and are exploring updating our practices based on trial results. By adding a surfactant to the water used for dust control on our haul roads, our trials have demonstrated that we can reduce the volume of water needed by half, which also creates cost savings in labour and energy (fuel) consumption for our water trucks. Our estimate is we can also cut our costs associated with dust control by almost half.

Policy or action:

We manage this by linking our water strategy with the other focus areas within our sustainability strategy and incorporating our water governance activities into our day to day operations. This ensures that our water strategy is connected to and integrated with other corporate environmental, health, safety, and sustainability focus areas to result in improved water and improved overall sustainability performance.

W10. Verification

W10.1

Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?

No, we are waiting for more mature verification standards and/or processes.

W11. Sign off

W-FI

Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W11.1

Provide details for the person that has signed off (approved) your CDP water response.

Row 1

Job title:	Senior Vice-President, Finance and Chief Financial Officer
Corresponding job category:	Chief Financial Officer (CFO)

W11.2

Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No