

CASE STUDY
**Teck's Development of a
Strategy for Sustainability**

Stephanie Bertels
Lisa Papania
Ahmed Amlani

An Introduction to Teck

This case provides a detailed look at the development of Teck's strategy for sustainability. It gives insight into the rationale behind the strategy, the engagement of employees in the development of the strategy, as well as some key challenges and lessons learned from this experience.

Teck is Canada's largest diversified resource company committed to responsible mining and mineral development with major business units focused on steelmaking coal, copper, zinc and energy. After 100 years of operations and acquisitions, Teck currently operates six mines in British Columbia as well as a zinc and lead smelting and refining operation. In addition, it has mining operations in the United States, Peru and Chile as well as a 20 per cent interest in the Fort Hills oil sands project in Alberta.

With a workforce of over 11,000 employees, Teck has become the largest producer of steelmaking coal in North America; the world's second largest exporter of steel-making coal to the seaborne market; a major producer of copper, and one of the world's leading zinc producers. Over the past decade, Teck has also emerged as an industry leader in sustainability.

Teck has been reporting on its sustainability performance since 2000 and in 2005, began reporting in accordance with the Global Reporting Initiative's reporting framework. In 2007, Teck signed on as a participating company under the United Nations Global Compact. Externally, recognition and momentum were building around Teck's sustainability efforts. In 2008, Teck was listed on the Dow Jones Sustainability North America Index (DJSI North America), which recognized Teck as being among the top 20% of companies in the natural resource sector in terms of sustainability. In that same period, Teck won several awards for safety, reclamation and sustainability reporting.

Building the Case for a Sustainability Roadmap

Despite these achievements, Teck's Sustainability and External Affairs (SEA) group was finding it increasingly difficult to prioritize activities without an overarching strategy. In the process of preparing to submit the DJSI questionnaire, the SEA group began informally benchmarking Teck's performance against sector leaders. This process helped the group realize that despite having a strong set of sustainability initiatives in place, Teck lacked a coherent multi-year strategy. In addition, Teck was under increasing pressure to set reduction targets and publicly disclose these goals.

In 2009, Teck's SEA group met to discuss what they thought sustainability meant for Teck. After much discussion around the definition of sustainability, the group decided that sustainability involved the company's consideration of the impact of each and every decision, now and in the future, on the environment, communities and people. They asked themselves: how could they help each Teck employee to see their own role through a sustainability lens? The team agreed that developing and implementing a campaign that forced a single, corporate definition of sustainability on all employees was not the answer. The team was also aware that Teck was already investing in a major cultural shift in health and safety and that Teck had just emerged from a difficult financial position.

The team decided to consult with some of Teck's brightest future leaders to seek their input on how to build Teck's long-term sustainability strategy. Teck had developed an Emerging Leaders Program (ELP) that brought together promising young leaders from all divisions of the company to prepare them for leadership roles. Teck's Vice President, Environment, was asked to make a presentation to the ELP. He explained why sustainability was becoming an industry requirement that increasingly determined how shareholders valued the company. He explained what

Teck had been doing and what they reported on each year, but he also stressed the need to create a long-term sustainability strategy to guide future operations. The ELP participants recognized sustainability as both an imperative and an opportunity for Teck and provided feedback on how to approach the strategy process, including the recommendation to consult broadly with senior leaders on the design of the strategy.

Teck's VP, Sustainability, along with an external sustainability consultant, met one on one with most of the members of Teck's senior management team to get their thoughts on setting long-term sustainability goals, on bringing together individuals from the organization to set these goals, and on getting the support of the organization to reach these goals. They found that sustainability was front of mind with these leaders, who saw the business imperative of a mining company becoming more sustainable. In addition, the Vancouver 2010 Olympics were around the corner and Teck was a sponsor, providing the metals for the gold, silver and bronze medals, which for the first time in Olympic history, incorporated a small amount of recycled electronic-waste from Teck's Trail Operations. This really resonated with Teck employees, and sustainability was increasingly being affirmed as a priority throughout the company.

These meetings also reaffirmed that leaders from across Teck's operations would need to be involved in shaping Teck's strategy for sustainability. The VP, Sustainability took this idea to Teck's President & CEO, Don Lindsay, who agreed that they needed to engage and enlist the best and brightest people across the company to develop a strategy for sustainability at Teck. In 2010, Lindsay made a public commitment in Teck's 2009 annual report to develop a "sustainability leadership initiative across the company, to maintain and enhance our social license to operate."

The Sustainability Working Group

The members of the senior leadership team at Teck were asked to name individuals who they thought would best represent the views of Teck's sites and core functional areas when defining sustainability goals for the organization. The names of nineteen individuals were put forward. Among the names were those of individuals with extensive operational experience who commanded respect with peers in their functional areas. Also nominated were some vice presidents who were considered to have significant power and influence in the organization. Participation was viewed as a critical development experience as the nominees were also people that were identified as having high potential for taking on more senior leadership positions in the company. Many of the nominees had extensive experience in areas related to environmental management; developing relationships with communities; and sustainability. However, others were chosen because they were influential in the organization, but may not have had strongly positive views towards sustainability matters. The VP Sustainability believed that if these individuals could be persuaded about the science behind sustainability then they would be powerful forces in helping the rest of the organization move towards achieving sustainability goals. Among the group were several leaders that had recently faced operational delays because of sustainability issues and understood why this had risen to be a strategic issue for the company.

In May 2010, Lindsay extended personal invitations to each of the 19 individuals, asking them to participate in a sustainability working group (SWG) that would be tasked with developing a strategy for sustainability for Teck. All of the individuals invited to participate in the SWG had full-time jobs leading teams or projects in the organization. Committing to work on the development of the sustainability strategy meant finding time to attend workshops and meetings, and working in their spare time in teams to create action plans and prepare presentations. This invitation from the CEO was critical for signaling the importance of the project to the nineteen individuals that were invited. In the end, eighteen of the nineteen were able to accept the invitation to join the SWG.

The SWG kick-off meeting was held in June 2010. The aim of the meeting was to create a shared awareness and understanding of sustainability and how it might apply to Teck. After a welcome from the SEA team at Teck, a set of external sustainability consultants launched into a 'deep dive' on the science of sustainability. The external consultants shared information about the world's finite and limited environmental and ecological systems, and the extractive sector's impacts on these systems. They also presented several scientific definitions of sustainability. They explained what creating a sustainability strategy involved, and what each person on the SWG would be required to do – including establishing milestones and deliverables – in order to participate in the development of Teck's sustainability strategy. Then, Teck's own internal experts on environment, safety, community and reporting gave presentations to help the SWG understand the work already being done by the SEA group.

A key learning occurred early in the process. The SWG members, who had agreed to participate in the group because of the opportunity to help craft a new way forward for Teck, found themselves overwhelmed with all the scientific information and the proposed solutions set out in the presentations. In fact, many of the members described the meeting as a 'disaster'. The SWG members thought that the consultants were trying to invoke a prescribed path forward and they put on the brakes. They needed time to digest, reflect and contemplate the sustainability science they had just been immersed in and think about what it meant for Teck.

Despite the scientific explanations provided by the external experts, SWG members said they thought the idea of sustainability and its application to Teck was 'vague'. The SWG members did not agree with the consultants or even with each other on what sustainability meant for the company or within their own roles. They had signed on to the SWG because they expected a chance to help define sustainability for Teck, rather than to apply a definition that someone else had created, or a definition that did not take into account Teck's realities or obligations. Most importantly, they argued that they wanted to participate in the process of deciding what goals Teck needed to pursue in order to be sustainable.

Adjusting the Process

Far from being upset by the SWG's pushback, the VP, Sustainability and Lindsay were delighted. The SWG's pushback meant that they were having "their own epiphanies". The SEA group heard the SWG's feedback, and changed tack. Although the initial consultants provided expertise and context with the sustainability science, it was clear that they could not prescribe Teck's strategy according to their own external vision of what Teck should do. Teck needed someone who understood Teck's culture, and organizational change and strategic planning approach and could bring this out with the SWG. They brought in a different consultant that had worked with Teck before on organizational change projects and strategic planning to facilitate a conversation among the SWG members about how they thought sustainability should be incorporated at Teck. With her as the facilitator, this "back to basics" approach enabled the SWG members to drive the process, while still being guided by the sustainability knowledge they had learned. The agenda firmly shifted to an enabling, participative approach that challenged the SWG members to ask themselves: "Based on what we know about sustainability and ecological limits and the long term nature of our operations, what do you think sustainability means for Teck?" as well as "How will we define success?" The original consultants continued to provide information and support to inform the SWG about possible sustainability practices.

Rather than try to provide a solution, the new facilitator led SWG members through their own visioning exercise asking them to imagine what Teck would look like 20 years into the future and to think about what needed to be done today and in the short term to enable Teck to reach this future state. This exercise got members thinking and articulating what sustainability at Teck looked like for each of them. For one member, sustainability meant ensuring that Teck was the mining partner of choice for governments, communities and non-governmental organizations. For another, it meant making Teck a company his daughter would want to work at when she was older. This enabled SWG members to realize that they had similar ideas about what Teck should focus on to be sustainable in 2030.

Defining What Sustainability Looked like at Teck

The second meeting concluded with the SWG agreeing on the general direction that Teck should be moving in, and specific areas of focus that would enable Teck to get there. The SWG agreed that sustainability at Teck related to six areas: community, water, ecosystems and biodiversity, energy, materials stewardship, and people. Members identified which area they wanted to work on, and the SWG was split into six groups accordingly. Approximately three people were assigned to each area; and each small group was tasked with identifying how Teck could be more sustainable in this focus area.

The SWG set the goal of having a strategic framework for sustainability by October 2010. In an effort to ensure consistency and common language in their planning for each focus area, the SWG decided to organize their work around The Natural Step's Framework for Strategic Sustainable Development:

Level 1 Systems represents the long term trends (environmental landscape of the unfolding future) which informs...

Level 2 Success represents the definition of long term success or the desired future which informs...

Level 3 Strategy represents the strategic guideposts for the journey that guide...

Level 4 Actions represents all strategies and actions taken for every step which informs...

Level 5 Tools represents the tools that will help us get there (i.e. metrics, management frameworks)

Adapted from Allowing Sustainability Principles to Emerge (Robert, & Broman 2011)

Discussions between members continued after the second meeting, revealing the need to separate the task of understanding ecological and social sustainability trends and drivers at the global and industry level, as well as how other companies were responding to these trends (best practices), (what the group called an 'environmental scan'), from the task of articulating what sustainability meant to Teck (what the group called 'Teck's sustainability vision and guiding principles'). The group decided that these tasks were separate from those related to setting sustainability goals in the six focus areas that had been identified. Therefore, in addition to working in small groups on focus area goals, the SWG split into two larger groups to conduct the environmental scan, and develop Teck's sustainability vision and guiding principles. Leaders were appointed to co-ordinate the research and reports from the various groups.

At a planning retreat for the SWG in October 2010, the leaders of the environmental scanning group, and the Teck vision and guiding principles group reported back on the progress of their groups' discovery. While a handful of other players in the mining industry seemed to set multi-year targets, at this time, they regularly failed to meet these targets. Teck, therefore, could find no solid guidance about how to set long-term sustainability goals by looking at its peers. The six smaller groups also reported back on the research they had done on sustainability goals in their areas.

Teck's VP, Sustainability, felt strongly that some of the goals did not push the company far enough forward. As a result, the SEA team led the SWG in a mapping exercise to identify challenges and opportunities for each focus area. In addition, they asked the SWG to place stickers on a board to identify for each focus area whether or not they wanted to be a leader, in the middle of the pack, or a laggard. This process helped the SWG to prioritize through consensus, and allowed the group to identify opportunities for addressing potential challenges. To realize these opportunities, the groups suggested immediate and stretch goals for each area. It also became clear that engaging communities should be the bedrock of Teck's sustainability strategy.

Overcoming Obstacles

Although all of the SWG members had agreed to participate in something that would require substantive work and heavy lifting, participation in developing the strategy required a significant amount of attention and time. As a result, some groups functioned better and interacted more frequently than others; and some groups shared the workload more equally among members than others. Members from groups in which interaction was infrequent, and work fell to one or two members, felt that their goals were less refined than those that were actively discussed and debated.

Also, not all SWG members brought the same level of experience to the table. Members with extensive and active experience in their focus area were able to identify problems and opportunities by consulting directly with and trying ideas out on teams in their departments or at their sites. Groups where members had little experience with their area of focus drew heavily on the knowledge of the internal experts from within the SEA group, and the external consultants. Members from these groups sometimes felt that their goals were not as bold or as relevant to Teck as groups with members whose jobs involved engagement in their focus area on a day-to-day basis. In the case of the communities focus area, the group recognized their limits and Teck's SEA group member with the most extensive experience in community engagement, was added to the team. Some groups also struggled to get the information they needed from the operations, either because they didn't know who to ask or what to ask for.

Endorsing Sustainability at the Highest Level

Adding to the momentum, in September 2010, Teck was named to the DJSI World Index for the first time, which meant that it was now ranked among the top 10% of sustainable natural resource companies in the world. In keeping with the initial objective of a sustainability strategy developed by the organization, in October 2010, the SEA team arranged for the SWG to share their approach with senior managers and later, operating managers and staff. At a senior management retreat, the Vice President, Sustainability had the senior managers engage in the same visualization exercise that the SWG had done. This provided an opportunity for the senior managers to identify for themselves a set of focus areas. As expected, the senior managers identified similar challenges and opportunities as the members of the SWG. Second, that same month, the SWG delivered a presentation for the site general managers attending the company's Operators' Conference to seek their input and support on the evolving goals.

In early 2011, SEA arranged for the SWG members to present the goals for each focus area to business unit (BU) heads and their management teams. Again, the idea was to get detailed feedback from each business unit on the feasibility of the proposed guiding principles and goals in order to refine them as needed. The feedback from senior management, operating managers and BU heads also helped the SWG to identify gaps in Teck's operations in terms of systems, metrics and baselines.

The SWG came together again for a fourth meeting to consolidate all the work done by the two overarching groups (those who had undertaken the environmental scan in order to develop Teck's vision and guiding principles and those working on setting goals for the six focus areas). The goal was to develop a consolidated sustainability strategy that would be presented to Teck's President & CEO and the senior vice-presidents at an executive management team meeting scheduled for February 2011.

As the SWG presented at the February management team meeting, it became clear that because these members of the executive team had not been closely involved in the iterative process of discussing what was possible, some of them were uneasy with the goals that the SWG had developed. Sensing that the group's hard work and the strategy was hanging in the balance, Lindsay decided to appoint members of his executive to be champions of the various focus areas. That way the senior leaders would have more control over and input into the goals set for and pursued by Teck. Lindsay himself elected to take on the role of champion for the people focus area, because he believed that Teck's people were at the heart of making Teck sustainable.

The assigning of champions set in motion a process in which each focus area team gave its champion a crash course on the thinking that had taken place over the last year: how they defined sustainability for Teck and how that had been translated this into goals for their focus area. With the champions' new perspectives – taking into consideration that they were now accountable for delivering on these goals – the goals for each focus area were reviewed and some were modified.

In July 2011, the senior management team endorsed the goals developed by the SWG. While the sustainability principles and goals developed by the SWG were supported at the highest level of the organization, Teck's President & CEO and his senior leadership team agreed that Teck needed to commit publicly to sustainability for it to become a priority for the entire organization. This meant that the goals needed to be published. Teck's sustainability strategy, published in August 2011 in its 2010 Sustainability Review, included Teck's sustainability vision and guiding principles, and its long-term and short-term sustainability goals:

Teck Vision and Goals

	What material issue is included?	Why is this focus area important?	Vision	Focus	Our long-term goals: 2030	Our short-term goals: 2015
Community	- Social management - Distribution of economic costs and benefits - Human rights - Indigenous Peoples - Involving people affected by our activities - Sustainable community development	- Our actions have impacts on social and political structures and relationships in communities. - Some mines are located on the traditional lands of Indigenous Peoples. - Engaging honestly and transparently with our communities of interest helps achieve broad community support for our activities. - Maximizing community benefits helps us leave communities better off as a result of their interactions with us.	We collaborate with communities so they genuinely benefit in a self-defined and sustainable manner from our activities and products. Communities consider themselves better off as a result of their interactions with us and offer broad support for our efforts.	Social Performance Metrics	Ensure social risk and performance are assessed and used to guide decision making as readily as financial and operational data.	Establish uniform measures to assess social risk and performance, and manage activities.
				Indigenous Peoples	Be recognized for innovative and collaborative work with Indigenous Peoples.	Implement policies and frameworks to guide our interactions with Indigenous Peoples.
				Sustainable Community Development	Be known as an innovative and values-based leader in sustainable community development.	Put processes in place to maximize community benefits and collaboration.
				Broad Community Support	Achieve broader community support demonstrated through well-established dialogue, collaboration and engagement.	Build our internal capacity.
				Human Rights	Be recognized for respecting and supporting human rights where we are active.	
Water	Water quantity, quality and allocation	- Mining processes can require significant amounts of water. - Water use can affect water quality, quantity and allocation, which affects other water users, including people and the environment.	We contribute to the ability of present and future generations to enjoy a balance between the social, economic, and recreational and cultural benefits of water resources, within ecological sustainable limits.	Water Quality	Work within an informed understanding of ecological limits, regional issues and the collective demands on water quantity and fair use of water: Water quality - keep clean water clean, minimize water quality deterioration, and restore affected water resources. ("Keep clean water clean" is a water quality management strategy that avoids "dirtying" the water if possible, e.g., keeping it clean by diverting around operations.)	
				Water Quantity	Water quantity - Minimize water use intensity.	Establish baseline for water use intensity and water quality at current operations by 2013.
				Water Allocation	Fair use of water - Participate in water use planning in our areas of influence	Implement measures to achieve operation-specific goals for improvements in water use intensity and water quality.
						Implement Teck's water management standard by 2013.
Ecosystems and Biodiversity	- Environmental management - Biodiversity and ecosystem impacts - Closed and dormant properties	- Mining has an impact on the landscape until the time that the lands are reclaimed. - Some mines are located in areas with high biodiversity values.	We achieve a net positive impact on biodiversity by maintaining or re-establishing self-sustaining landscapes and ecosystems that lead to viable long-term and diverse land uses in the areas in which we operate.	Net Positive Impact	Achieve a net positive impact on diversity in all regions where we operate.	Develop comprehensive biodiversity management plans including targets and actions, to minimize impacts at all operations and advanced projects, in accordance with our Biodiversity Guidance Manual and corporate standards.
					Contribute to the rehabilitation of ecosystems and biodiversity in our areas of influence.	Develop plans at our operations to offset ecosystem impacts that cannot be fully mitigated or rehabilitated, by enhancing or protecting similar habitat areas of equal or greater ecological value, in the affected regions.
				Biodiversity Conservation	Achieve operation-specific biodiversity conservation targets, based on biodiversity baseline studies, at all operations by 2020	Identify and implement biodiversity improvement and conservation opportunities that would seek to create a net positive impact in our areas of influence.
					Be a partner of choice through consistent and responsible environmental performance, biodiversity conservation and reclamation practices.	Enhance our contributions to biodiversity conservation knowledge.

Teck Vision and Goals (continued)

	What material issue is included?	Why is this focus area important?	Vision	Focus	Our long-term goals: 2030	Our short-term goals: 2015
Energy and Climate Change	Energy and climate change, including: - Energy use - Greenhouse gas (GHG) emissions - Carbon regulations and economics	- Mining is an energy-intensive business. - Efficient energy production, use and delivery, as well as shifts towards renewable energies and technologies will be required to meet global energy demand.	We are a catalyst for introducing new energy and management systems that can make a positive contribution to society's efficient use of energy.	Energy Consumption	Implement projects that reduce energy consumption by a cumulative 6,000 terajoules (TJ) at existing operations.	Implement projects that reduce energy consumption by 1,000 TJ at existing operations.
						Carry out the following for our new projects: - Conduct an analysis of currently available energy sources and evaluate opportunities to develop new energy sources. - Based on best practices, establish energy design criteria. - Complete comprehensive project energy maps to facilitate design options, identify opportunities, and determine incremental capital and operating costs for energy reduction projects.
				Greenhouse Gases	Implement a cumulative 450 kilotonnes (kt) of CO ₂ - equivalent GHG reductions at existing operations.	Implement 75 kt of CO ₂ - equivalent GHG reductions at existing operations.
				Alternative Energy Generation	Develop or source a cumulative 100 megawatts (MW) of alternative (non-carbon-emitting) energy generation. This goal will be reviewed as additional projects are approved for development.	Commit to 30 MW of alternative (non-carbon-emitting) energy generation.
					(Note: Cumulative indicates that the long-term goals are inclusive of the respective targets in the short-term goals. The 100 MW and 30 MW alternative energy generation goals refer to average power production, not nameplate or rated capacity. For example, a wind farm with an installed capacity of 30 MW may have a capacity factor of 30% and would yield approximately 10 MW of average power production. The difference between installed capacity and average power production varies depending on the energy generation technology and available resource.)	
Materials Stewardship	Product stewardship, including: - Energy use - Greenhouse gas (GHG) emissions - Carbon regulations and economics	- The products of mining are in great demand in a sustainable society. - Extended producer responsibility and increasing expectations are making product life cycle management increasingly important. - Enhancing product and process stewardship is a way to create value while minimizing our impacts.	We offer a range of products and services that create maximum value for society with minimal impact to people and the environment.	Product Stewardship Materials Stewardship	Ensure that our products are selected first, or substituted last, based on their quality and the relationships we have developed with our customers and our communities of interest.	Use our materials stewardship activities to enhance our customers' use of our key products and services.
				Materials Stewardship	Be recognized for our leadership in developing sound materials stewardship practices and policies, and in our support of appropriate regulations associated with material stewardship.	Communicate materials stewardship throughout our company and in our business dealings with our customers, primary feed material suppliers and governments.
					Maximize the value of our products and minimize their harm through ongoing materials stewardship efforts.	Promote effective, efficient and economic metals use and recycling in the mining industry through our technology and know-how.
						Conduct life cycle assessments of key products.
Our People	- Safety and health - Employee attraction, training and development - Labour and management relations	- The mining business can carry inherent risks that can affect the safety and health of our people and neighboring communities. - Our employees have a diverse set of high value skills and many work in physically demanding environments. We must work to attract, train and develop our people.	We attract, retain and develop people whose passion, skills and motivation lead our journey to a successful and sustainable future.	Safety and Health	Achieve zero fatalities and injuries so that everyone goes home safe and healthy every day.	Reduce overall total reportable injuries.
				Employee Attraction, Training and Development	Establish a high degree of respect between our people and our communities of interest so that our people are trusted to always take care of the environment, communities and each other.	Retain existing employees and skills, Increase employee training and development opportunities. Enhance recruitment programs. Embed sustainability principles throughout our company and ensure that they are routinely considered in decision making.

Making the Strategy Operational

While it was essential to gain the support of senior leadership, it was unrealistic for these Focus Area Champions to drive the implementation of the strategy. As a result, an Implementation Team consisting of SEA Focus Area Leads, Business Unit (BU) Focus Area Leads, and Site Focus Area Leads was developed. Each of these individuals was chosen based on their current role and experience with issues related to each of the six focus areas. The SEA Focus Area Leads work with Site Focus Area Leads to implement the multi-year plans (road maps), monitor and report on progress, and assist with internal and external communications. The SWG assumed an advisory role to support the Implementation Team.

Focus Area Champions provided leadership by offering guidance on achieving goals for their respective focus areas, and participated in decision making for the implementation of specific issues. Focus Area Leads were accountable to these champions as well as Teck's VP, Community & Government Relations. They act as a resource for Site and Business Unit Leads by answering questions and clarifying expectations on the intent of goals, establishing communities of practice to facilitate knowledge sharing, and working with Site and Business Unit leads to establish indicators for their respective focus area. They also consulted with Focus Area Champions to ensure progress towards achieving goals and resolving issues that arise.

BU Focus Area Leads work closely with these Focus Area Leads. They are accountable to their BU leadership for ensuring systems and processes are in place to enable implementation of goals, as well as measure and track progress. BU Focus Area Leads are also responsible for contributing to their focus area's community of practice.

Site Focus Area Leads report to their BU and Focus Area Leads, as well as their site's General Manager. They are responsible for working with BU Focus Area Leads to establish systems and processes, as well gathering data, to track goals at the site level. In addition, they report challenges to their BU and Focus Area Leads, and help in resolving these issues. These individuals also contribute to their respective focus area's community of practice.

The Road Ahead

Since creating the Implementation Team, Teck has already achieved a number of its 2015 goals and is on track to meet the others. For example, it has completed a human rights assessment at all of its operations. It has also established a companywide water balance, which gives it insight into the water that flows into and out of each of its operations, and achieved its lowest total injury frequency on record. In addition, Teck has surpassed its goal of reducing greenhouse gas emissions by 75 kilotonnes of carbon dioxide equivalents at existing operations, and met all of its short-term materials stewardship goals.

(See the following pages for Teck's Goals Dashboard from its 2014 Sustainability Report to view its progress in all six focus areas).

Much of the work of the SEA group over the past three years has focussed on developing reliable indicators for each of its goals and broadly engaging employees across its operations in implementing its sustainability strategy. In 2013, Teck took early steps on this journey by linking the achievement of its sustainability goals to its bonus structure. Teck appreciates that this is no small challenge, and will require patience as it works towards realizing the bold vision for sustainability set out in its long-term 2030 goals.

Today, as Teck approaches the end of 2015, the due date for its first set of short term goals, it has embarked on a new process to update its focus areas, visions for success, long and short term goals.

Progress on 2015 Sustainability Goals

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

 Community		
2015 Goals	Status	Highlights
1. Establish uniform measures to assess social risk and performance and manage activities		- Completed Human Rights Assessments at all operations - Continued work towards implementation of community aspects of our HSEC management standards and expanded use of Social Management and Responsibility at Teck (SMART) tools, including closure planning
2. Implement policies and frameworks to guide interactions with Indigenous Peoples		- Ten agreements reached with Indigenous Peoples. We now have 46 agreements with Indigenous communities in Australia, Canada, Chile, Peru and the United States - Began development of an Indigenous Peoples Policy - Extensive collaboration with the Ktunaxa First Nation on the development of our Elk Valley Water Quality Plan
3. Put processes in place to maximize community benefits and collaboration		- Initiated the development of multi-year local, strategic community investment plans - Community feedback mechanism in place at all 13 operations and at our corporate head office
4. Build our internal capacity through expanded training in social responsibility, community dialogue, Indigenous Peoples' rights, cultural awareness and human rights		- Conducted dialogue training for communities teams in Chile, Red Dog and our corporate head office - Completed Indigenous Peoples cultural awareness training at some operations

 Our People		
2015 Goals	Status	Highlights
1. Reduce overall total reportable injuries		- Total reportable injury frequency was 25% lower than in 2013, and our high-potential incident frequency rate declined by 22%. - CSL I, II and III fully implemented and the next phase of CSL now being developed - Developed and implemented a new High-Potential Risk Control Strategy at all of our operations
2. Retain existing employees and skills		- No significant increase in voluntary employee turnover year over year, while the portion of retirements increased - Conducted formal performance development and career reviews with over 90% of our regular salaried employees 2014 employee survey on the effectiveness of Building Strength with People, our performance and development program, indicated that employee satisfaction increased by 2% over the previous year
3. Increase employee training and development opportunities		- Introduced a new on-the-job leadership development program designed to embed the skills learned from previous leadership development programs - Introduced new programs to improve performance and development conversation skills - Introduced a new-hire orientation program across all of Teck



Our People (continued)

2015 Goals	Status	Highlights
4. Enhance recruitment programs	→	- Established a committee of senior executives to oversee our diversity-related initiatives - Implemented applicant tracking software in all Teck locations and integrated this with a new internal vacancy management policy - Increased the number of women in operational or technical roles by 16% year over year
5. Embed sustainability principles throughout our company and ensure that they are routinely considered in decision making	→	- Incorporated content on our sustainability strategy into our orientation program, as well as our leadership development programs - Developed a new sustainability website to communicate our strategy and our progress against goals - Launched Team Teck, our employee giving program



Water

2015 Goals	Status	Highlights
1. Establish baseline for water use intensity and water quality at all current operations by 2013	✓	Established a company-wide water balance that provides a more comprehensive account of the volumes of water that flow into and out of our operations
2. Implement Teck's Water Management Standard by 2013	✓	Completed water balances and integrated water management plans at each of our operations
3. Implement measures to achieve operation-specific targets for improvements in water use intensity and water quality	→	Operations have developed site-specific water targets, and are working towards implementing projects and/or initiatives to meet these targets



Biodiversity

2015 Goals	Status	Highlights
1. Develop comprehensive management plans, including targets and actions to minimize impacts at all operations and advanced projects, in accordance with our Biodiversity Guidance Manual and company standards	→	- Rolled out the Biodiversity Management Plan workbook and guidance document to all sites - Completed Biodiversity Management Plans at eight operations to date
2. Develop plans at our operations to offset ecosystem impacts that cannot be fully mitigated or rehabilitated by enhancing or protecting similar habitat areas of equal or greater ecological value in the affected regions	✓	Completed significant land/habitat conservation actions in the Elk Valley and Quintette regions, and developed/advanced ecosystem conservation and restoration planning near Trail. Consulted with various Indigenous and conservation groups on these and other initiatives
3. Enhance our contribution to biodiversity conservation and knowledge	✓	Continued investing in biodiversity research projects and partnerships, including caribou studies and population management trials near our Quintette project, and various programs with organizations such as the Vancouver Aquarium, the Royal British Columbia Museum and the U.S. Fish and Wildlife Service
4. Identify and implement biodiversity improvement and conservation opportunities that would seek to create a net positive impact in our areas of influence	✓	- Improved the prioritization process for managing our dormant mine properties and continued to make progress in implementing closures. - Worked on ecosystem projects in all of our geographic areas of activity



Achieved



On Track



Energy

2015 Goals	Status	Highlights
1. Reduce energy consumption at existing operations by 1,000 terajoules		Implemented energy reduction projects resulting in 1,050 terajoules of energy reductions since our baseline year of 2011. Projects ranged from optimizing blasting efficiency for increased grinding efficiency to using more energy-efficient lighting
2. Reduce greenhouse gas emissions at existing operations by 75 kilotonnes of carbon dioxide-equivalent emissions (CO ₂ e)		Implemented projects that have reduced greenhouse gas emissions by approximately 170 kilotonnes to the end of 2014, including the partial displacement of coal with natural gas for product drying at four of our steelmaking coal sites and anti-idling programs at our British Columbia and Alberta mining operations
3. Commit to 30 megawatts (MW) of alternative (non-carbon-emitting) energy generation		As of the end of 2014, 16.8 MW of alternative energy generation is in operation. Recent efforts included expanding our interest in the Wintering Hills Wind Power Facility from 30% to 49%
4. Carry out the following for our new projects: - Conduct an analysis of currently available energy sources and evaluate opportunities to develop new energy sources - Based on best practices, establish energy design criteria - Complete comprehensive project energy maps to facilitate design options, identify opportunities, and determine incremental capital and operating costs for energy reduction projects		Completed an analysis of available energy sources and an evaluation of opportunities to develop new energy sources for selected projects, and completed a comprehensive energy map for our one major project



Materials Stewardship

2015 Goals	Status	Highlights
1. Refine materials stewardship programs that identify and manage the risks of our products using life cycle thinking ⁽¹⁾		- Deleterious Elements Require Thought (DERT) is an ongoing project with Exploration that helps to identify above-normal levels of deleterious elements that may impact the value of the products from the ore body. This project also helps ensure such information is incorporated into project assessments - Potential and existing customer evaluations continue as part of ongoing activities
2. Promote effective, efficient and economic metals use and recycling in the mining industry through our technology and know-how		We continue to work closely with industry associations such as the ICMM and the International Zinc Association (IZA) to improve recycling models for base metals. We provide financial support and actively participate in several industry associations and programs related to recycling
3. Use our materials stewardship activities to enhance our customers' use of our key products and services		- As part of our routine stewardship practices, we continued to conduct smelter reviews and continued our efforts to educate our customers on the management of deleterious elements - Set out a strategy to integrate the systematic assessment of our supply chain risks into our overall corporate risk management process. The assessment covers risks associated with primary suppliers' compliance with Teck expectations on human rights, labour, health and safety, and environmental practices (as defined in our Supplier Protocols)
4. Communicate materials stewardship throughout our company and in our business dealings with our customers, primary feed material suppliers, and governments		Continued to publish articles on key Materials Stewardship principles and activities in our employee magazine and on our internal website for employees

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



Achieved



On Track