



TECK ESG and Financial Analysis

Group 2: Aman Khetawat, Anaya Sidhu,
Harry Zhang, Sophia Zhang



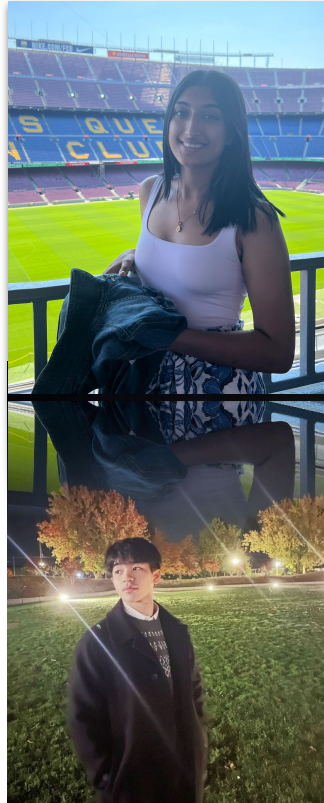
Introduction

Anaya Sidhu

Canada

Economics

Fun Fact: I'm a big Formula One fan

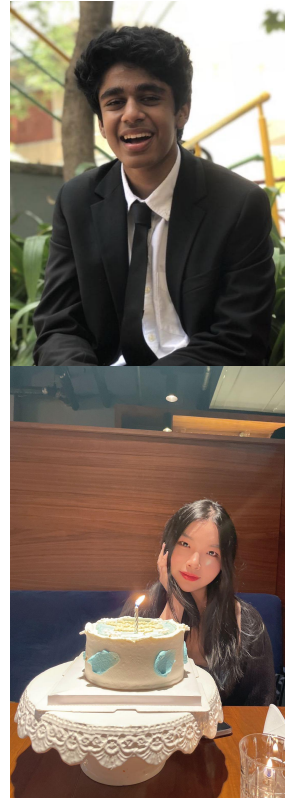


Harry Zhang

China

Environmental Engineering

Fun fact: I love cats.



Aman Khetawat

India

Computer Science

Fun Fact: In love with football

Sophia Zhang

China

Statistics

Fun fact: I love Kpop.

Metal, Mining, or Energy - Teck Resources Ltd.

- Founded in 1906, Teck Resources is now one of Canada's leading mining companies
- Headquartered in Vancouver, British Columbia
- Principal products: copper, zinc, steelmaking coal
- Operations and projects in Canada, the United States, Chile and Peru
- Agile digital transformation platform: RACE (Renew, Automate, Connect, Empower)
 - Benefits on mine optimization, reducing health & safety risk, enhancing sustainability, etc.



Group Contract

i. Member Expectations

- We expect each member to put in their best effort and contact the team if any questions, complications, or review is wanted
- We are a team for a reason and expect members to reach out when help is needed for their parts.
- If a member is unable to meet the deadline set out by the group for their assigned work, said member should inform the group via the group chat. A quick meeting will be held in which the team comes to a consensus on a new reasonable date to have the work done by and discuss why the complication arose, if comfortable, to prevent it happening in the future is possible

ii. Communication Medium

- Zoom or In-Person meetings, depending on what the group decides
- The WhatsApp group chat for any planning or other communication
- Our backup communication method will be our personal phone numbers if need be

iii. Communication Timelines

- We expect people to respond within 12 hours everyday

iv. Conflict and Contract Code of Conduct

- We will maintain professionalism when disagreements arise to seek compromise and understanding
- Communication and discussion will be the channel for resolution in the case of concerns, irresponsibility, etc.
- If any member feels that issues are not resolved, then we will contact TAs/Professor for consultation

v. Contract Breaches

- In the case of a breach of the contract, an immediate team meeting will be set and had to discuss the breach, why it occurred, and what actions/resources the member can use to prevent recidivism
- In the case of two violations, we will consult a TA/Professor for further support and assistance

Financial Analysis and News

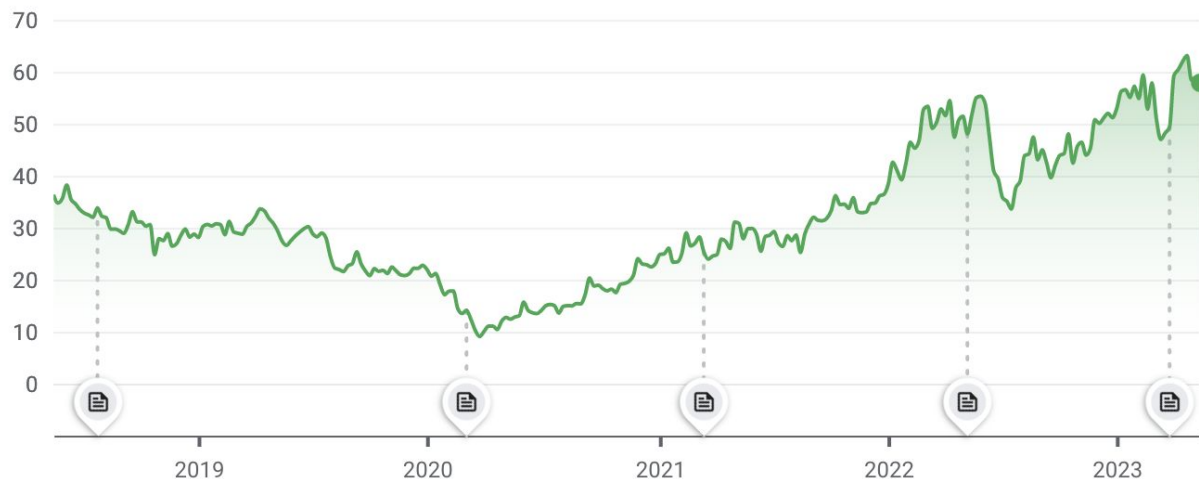
Financial Analysis

Market Capitalization (as of May 23rd, 2023): C\$28.35 Billion

Share/stock price (as of May 23rd, 2023):

- TECK.B: C\$54.68 (Class B, TSE)
- TECK.A: C\$55.25 (Class A, TSE)

5 year share price graph (TECK.B):

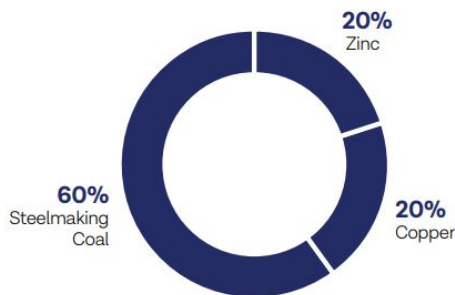


Teck

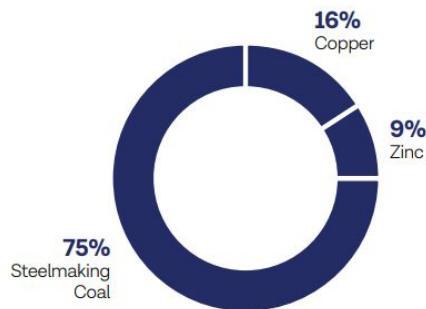
Financial Analysis

- Teck Resources annual revenue for 2022 was C\$17.98B, a 23.83% increase from 2021.
- Annual net income for 2022 was C\$3.44B, a 11.5% increase from 2021.
- P/E ratio as of May 2023 is 10.1237 (lower than most of its industry competitors).
- Revenue and Profit split amongst Teck's main business units:

2022 Revenue by Business Unit



2022 Gross Profit by Business Unit



Financial News



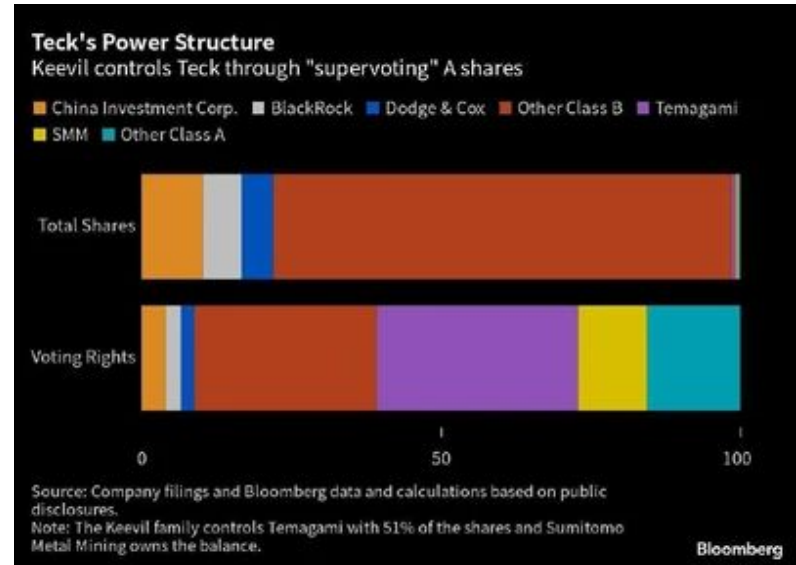
Teck Resources withdraws plans to split:

- Teck had proposed splitting up its metals and steelmaking coal businesses into two companies, Teck Metals and Elk Valley Resources.
- Proposed split had Teck Metals depending on EVR for cash flow for at least 3 years following separation.
- Shareholders want a more direct approach to separation.
- Share price in TSE rose by up to 6% after this announcement.
- Fallthrough of the decision to split leaves door open for companies like Glencore PLC, who have already put in a C\$31B takeover bid and have more direct approaches to split the businesses.

Financial News

The end of dual-share structure at Teck:

- Class A common shares - 100 votes per share and
- Class B subordinate voting shares - 1 vote per share.
- Each Class A common share was acquired by Teck in exchange for one new Class A common share and 0.67 of a Class B subordinate voting share
- The new class A common shares are identical to the old class A shares except, with the stipulation that by May 12, 2029, all new Class A common shares will automatically be exchanged for Class B subordinate voting shares.
- Opens Teck to mergers and acquisitions.



Fundamental ESG Analysis



Regulations Affecting Teck and the Industry

Canada

UN's Declaration on the Rights of Indigenous Peoples (UNDRIP)

The Canadian Net-Zero Emissions Accountability Act (by 2050)

The Canadian Minerals and Mining Plan

- Multiple goals pertaining to each focus by 2025 or 2030 such as 30% of mining workforce being women

USA

Aim to have net-zero emissions by 2050

Several acts regulating the environment

- Clean Water Act
- Clean Air Act
- Endangered Species Act

NASDAQ listed companies have to have at least 2 diverse members on their board of directors

Peru and Chile

Peru aims to limit GHG emissions by 20–30 percent by 2030 and become net carbon neutral by 2050

Chile promises to have an absolute reduction of 95 MtCO₂eq by 2030

Both countries ESG related regulations primarily come from the UN's soft laws

Framework

Source: <https://www.teck.com/media/Reporting-Index.pdf>

- Incorporates frameworks including GRI, SASB, UNGC, UN SDGs, TCFD
- Primarily uses GRI
- Member of ICMM, GRI is requirement
- Comprehensive disclosure on approach to meet majority of GRI standards
- Some requirements omitted for incomplete/inaccurate information
- More data and approach plan to be disclosed in the following year
- Example on GRI 300: Environment

GRI Index: Topic-Specific Standards

GRI 300: Environment

Water (continued)							
Standard / Indicator	Where to Find / Direct Answer		Omissions	GRI Coal Sector Standard	ICMM Principle	UNGC Principle	UN SDGs
303-3	Water withdrawal	Water Stewardship · Improving Water Efficiency: p. 37–39 Sustainability Performance Data	i. Requirement(s) omitted: A breakdown of total water withdrawal by freshwater and other water. ii. Reason: Information unavailable/incomplete iii. Explanation: We report a breakdown of high-quality water and low-quality water (rather than freshwater and other water) as these categories are better aligned with ICMM guidance in the mining and metals context.	12.7.4	6, 8	1, 2, 7, 8, 9	6.4
303-4	Water discharge	Water Stewardship · Improving Water Efficiency: p. 37–39 Sustainability Performance Data	i. Requirement(s) omitted: Total water discharge to all areas by groundwater, seawater, and third-party water. ii. Reason: Not applicable iii. Explanation: All water discharge destinations are surface water.	12.7.5	6, 8	1, 2, 7, 8, 9	6.3

Material ESG Risk Factors

HOW WE MANAGE MATERIAL ISSUES

Environment	Air Quality	Performance	Management
	Biodiversity and Closure	Performance	Management
	Climate Change	Performance	Management
	Responsible Production	Performance	Management
	Tailings Management	Performance	Management
	Water Stewardship	Performance	Management
	Environmental Management	Management	

Teck

[About](#)
[Operations](#)
[Products](#)
[Sustainability](#)
[Investors](#)
[Technology](#)
[Documents and Reports](#)
[News](#)
[Careers](#)

Social

Health and Safety

Performance

Management

Human Rights

Performance

Management

Our People and Culture

Performance

Management

Relationships with Communities

Performance

Management

Relationships with Indigenous Peoples

Performance

Management

Governance

Business Ethics

Performance

Management

Value Chain Management

Performance

Management

Business and Sustainability

Management

Emergency Preparedness and Planning

Management

Sustainability Report and Disclosure Portal

Teck has the material ESG risk factors pertaining to their company clearly laid out in the sustainability report and disclosure portal on their website

In addition, the management and performance/ measurement of these risks are also clearly provided

Risk Target and Measurement

In the risk factors where it's applicable, Teck has a performance tab which provides a document on Teck's short term and long term goals for the management of that specific risk.



Example 1: Risk Factor - Climate Change

Big Picture Goal: Net Zero Emissions by 2050

- Have another long term target to have net zero Scope 3 emissions by 2050

Short Term Targets	Measurement/Performance
Reduce the carbon intensity of operations by 33% by 2030	Carbon Capture Utilization and Storage (CCUS) pilot project that supports this
Achieve net-zero Scope 2 emissions by 2025	Agreement with Caterpillar to use zero emission trucks at mining sites Finalized plans to have 100% renewable energy Quebrada Blanca Phase 2 (QB2) project, which will reduce emissions by about 1.6 million tonnes of annual GHG emissions
Increase the use of zero emission transportation vehicles by displacing the equivalent of 1,000 internal combustion engine (ICE) vehicles by 2025	Started a pilot for using a fully electric truck to transport copper concentrate Have displaced the equivalent of 149 ICE vehicles as of 2022



Example 2: Risk Factor - Water Stewardship



Big picture goal: Transition to seawater or low-quality water sources for all operations in water-scarce regions by 2040

Big picture goal: Create new water management and treatment solutions to protect downstream water quality

Short Term Target

Measurement/Performance

Have all development projects of the transition complete by 2025	Completed the construction of a seawater desalination facility at QB2
--	---



Example 3: Risk Factor - People and Culture

Big picture goal: Foster a workplace that promotes inclusion, diversity, and prepares people for the present and future

Short Term Target	Measurement/Performance
Increase percentage of women working at Teck	3,048 women working at Teck at the end of 2022, which represents 24% of the total workforce. 34% of total new hires in 2022 were women.

Performance Metrics

Indicator % of female employees

Target Increase % of female employees

2022: 24% female employees

2021: 21% female employees

2020: 20% female employees

Indicator % of female employees in leadership positions⁽¹⁾

Target Increase % of female employees in leadership positions

2022: 29% female employees in leadership positions

2021: 29% female employees in leadership positions

2020: 20% female employees in leadership positions

Indicator % of total employee turnover

Target Keep total employee turnover under 10% each year

2022: 9.5% total turnover

2021: 8% total turnover

2020: 10% total turnover

Indicator Annual investment spend on training

2022: \$46 million

2021: \$36 million

2020: \$34 million

⁽¹⁾ Leadership positions refers to Teck's larger senior management team, including each officer of Teck, but does not include the Chair or Vice Chair of the Board of Directors.

Teck Performance in ESG ratings by Sustainalytics



ESG Risk Rating

COMPREHENSIVE



20.6 Medium Risk



Last Update: May 13, 2023

Ranking

Industry Group (1st = lowest risk)






Diversified Metals 4 out of 224

Universe

Global Universe 4434 out of 15346

- Outstanding and leading performance in ESG of metals and mining industries

Industry Comparison

Company	ESG Risk Rating	Industry Rank
Teck Resources Limited	20.6  Medium	4 out of 224
Anglo American Plc	22.6  Medium	9 out of 224
Antofagasta Plc	24.3  Medium	14 out of 224
Grupo México S.A.B. de C.V.	31.8  High	47 out of 224
CMOC Group Ltd.	32.8  High	52 out of 224

Source:

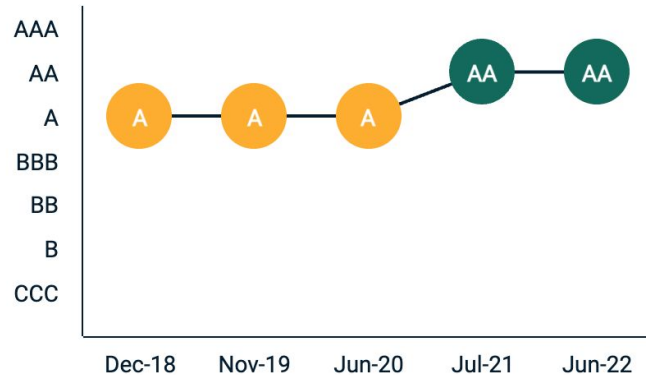
<https://www.sustainalytics.com/esg-rating/teck-resources-limited/1008067772>

Teck Performance in ESG Ratings by MSCI

- Teck has an “AA” rating
- Teck is classified as a “Leader” in mining and energy

ESG Rating history

MSCI ESG Rating history data over the last five years or since records began.



MSCI ESG RATINGS



Teck is a **leader** among 72 companies in the **metals and mining - non-precious metals industry**.

Teck vs Peers (Newmont Corporation)



- Newmont Corporation is a large mining company that operates across the globe
- Newmont is also a leader in the mining sector rated as “AA” by the MSCI
- Newmont shows higher levels of maturity in SDG Net Alignment (Teck resources on the left, Newmont Corporation on the right)
- Teck can focus on their progress and alignment in SDGs to achieve higher levels of performance

Teck Resources

Goals	Strongly Aligned	Aligned
1: No Poverty		
2: No Hunger		
3: Good Health and Well-Being		
4: Quality Education		
5: Gender Equality		●
6: Clean Water and Sanitation		
7: Affordable and Clean Energy		
8: Decent Work and Economic Growth		●
9: Industry, Innovation and Infrastructure		
10: Reduced Inequalities		
11: Sustainable Cities and Communities		
12: Responsible Consumption and Production		
13: Climate Action		
14: Life under Water		
15: Life on Land		
16: Peace, Justice and Strong Institutions		
17: Partnerships for the Goals		

Newmont

Goals	Strongly Aligned	Aligned
1: No Poverty		
2: No Hunger		
3: Good Health and Well-Being		
4: Quality Education		
5: Gender Equality		●
6: Clean Water and Sanitation		●
7: Affordable and Clean Energy		●
8: Decent Work and Economic Growth		●
9: Industry, Innovation and Infrastructure		
10: Reduced Inequalities		●
11: Sustainable Cities and Communities		
12: Responsible Consumption and Production		●
13: Climate Action		●
14: Life under Water		
15: Life on Land		
16: Peace, Justice and Strong Institutions		
17: Partnerships for the Goals		●



Our ESG Maturity Rating for Teck

HIGH
Integrated
Value creation

We are confident in rating Teck Resources with a high level of maturity and hope to summarize some takeaways from our presentation to support this rating:

- Teck's high level of transparency and quality of their disclosures are clearly evident through our research
- They consistently set goals to continue their implementation of ESG values and find attainable goals to ensure they are on track
- As one of the industry leaders and pioneers in ESG implementation, they create value by setting an example for other companies in the industry

References



2022 Sustainability Report. Teck. (2022). <https://www.teck.com/media/2022-Sustainability-Report.pdf>

Canada, S. (2023, January 27). Government of Canada. Canada.ca.
<https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/net-zero-emissions-2050.html>

Chediak, M., Pearson, N., & Bochove, D. (n.d.). Teck Resources shareholders OK Wind Down of Miner's dual-class shares.
<https://financialpost.com/commodities/mining/teck-shareholders-ok-wind-down-dual-class-shares>

Chile. UNDP Climate Promise. (2023, January 25).
<https://climatepromise.undp.org/what-we-do/where-we-work/chile#:~:text=Chile%20added%20an%20absolute%20target,to%20peak%20emissions%20in%202025>

Company ESG risk rating - sustainalytics. sustainalytics.com. (2023, May 13).
<https://www.sustainalytics.com/esg-rating/teck-resources-limited/1008067772>

ESG Ratings & Climate Search Tool. MSCI. (n.d.).
<https://www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool/issuer/teck-resources-ltd/IID000000002186348>

ESG Ratings & Climate Search Tool. MSCI. (n.d.-a).
<https://www.msci.com/our-solutions/esg-investing/esg-ratings-climate-search-tool/issuer/newmont-corporation/IID000000002177254>

References



Equity, diversity and inclusion. Teck Resources Limited. (n.d.-a).

<https://www.teck.com/sustainability/sustainability-topics/our-people/equity-diversity-and-inclusion/>

Global Legal Group. (2023, January 26). *Environmental, social, & governance laws and regulations report 2023 USA*.

International Comparative Legal Guides International Business Reports.

<https://iclg.com/practice-areas/environmental-social-and-governance-law/usa>

Group, G. L. (2022, September 20). Mining laws and regulations report 2023 Canada. International Comparative Legal Guides International Business Reports.

<https://iclg.com/practice-areas/mining-laws-and-regulations/canada#:~:text=In%20Canada%2C%20any%20significant%20exploration,%E2%80%9Cpermit%E2%80%9D%20in%20some%20jurisdictions>

Inc., R. (2023, April 26). Teck resources withdraws plan to split, shares jump as glencore circles. SaltWire.

<https://www.saltwire.com/nova-scotia/business/teck-resources-withdraws-restructuring-plan-ahead-of-shareholder-vote-100847452/>

Karim, N. (n.d.). Teck versus glencore: What you need to know about the takeover battle ... Financial Post.

<https://financialpost.com/commodities/mining/teck-versus-glencore-what-need-to-know-takeover-battle>

References



Our approach to our people and culture. Teck. (2023, January).

<https://www.teck.com/media/Teck-Approach-to-Our-People-and-Culture.pdf>

Sustainability Report - Our People and Culture. Teck. (n.d.).

<https://www.teck.com/media/Sustainability-Report-Our-People-And-Culture.pdf>

Teck completes plan of arrangement introducing a sunset for dual class share structure. Teck Resources Limited. (n.d.).

<https://www.teck.com/news/news-releases/2023/teck-completes-plan-of-arrangement-introducing-a-sunset-for-dual-class-share-structure>

Teck introduces sunset for dual class share structure. Teck Resources Limited. (n.d.-b).

<https://www.teck.com/news/news-releases/2023/teck-introduces-sunset-for-dual-class-share-structure#:~:text=Class%20A%20common%20shares%20carry,carry%201%20vote%20per%20share>

Teck Resources Revenue 2010-2023: Teck. Macrotrends. (n.d.).

<https://www.macrotrends.net/stocks/charts/TECK/teck-resources/revenue>

References



The Canadian Minerals and Metals Plan. (n.d.).

https://natural-resources.canada.ca/sites/nrcan/files/CMMP/CMMP_The_Plan-EN.pdf

UN Sustainable Development Goals. Teck Resources Limited. (n.d.-c).

<https://www.teck.com/sustainability/approach-to-responsibility/global-citizenship/un-sustainable-development-goals/>

USAID. (2022, November 17). Peru Climate Change Fact Sheet. Global Climate Change.

<https://www.climatelinks.org/resources/peru-climate-change-fact-sheet#:~:text=Government%20of%20Peru%20Climate%20P,riorities&text=Key%20GoP%20mitigation%20and%20adaptation,net%20carbon%20neutral%20by%202050>