THE EFFECTS OF INCREASING FEMALE LEADERSHIP AT TECK RESOURCES LIMITED

by

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Abstract

Teck Resources is Canada's largest diversified mining company with operations in North and South America and exploration projects worldwide. Teck's overall leadership is currently comprised of 19.2% women; broken down into management (21.8%), senior management (10%) and executive roles (4.5%). Females make up 14.3% of Teck's Board of Directors.

This project evaluates the challenges and opportunities Teck will face in order to increase female leadership. The assessment identified that with a careful, strategic approach to augmenting the pipeline and imparting systems to develop women into leaders, Teck's female leadership will organically grow.

Further, portions of the strategy should be created by the sites as each jurisdiction may have unique challenges. Aligning the vision and communication channels across Teck is essential for successful results.

Executive Summary

Teck competes for talent with mining companies worldwide as well as forestry, oil and gas, construction and other industries that utilize tradespeople, equipment operators and engineers (mining, metallurgy, environmental, geological, chemical, and electrical).

Should Teck wish to compete for global talent, Teck's diversity and inclusion strategy must be robust to have a competitive advantage over its rivals. Women often chose careers where they feel they can make a difference and as such, they value a company's safety philosophy, business reputation, sustainability approach and support of work/life balance. All of these components pit Teck against its competitors in a war for talent and as Teck already has a strong reputation for being a socially responsible company, enhancing its focus on diversity will build a stronger brand and a company that women will feel proud to work for.

Statistic

1. Engineers

A critical profession to enhance are the engineering disciplines as engineers often hold leadership positions at Teck, including senior executive roles. Increasing the number of female engineers is not an easy feat given that female Canadian engineering enrolment in 2013 was 13,778 or 18.9% of total enrolments

A number of mining disciplines that Teck employs have encouraging female statistics and should be targeted for recruitment including:

- Chemical: a higher percentage of women (32.7%) choose this discipline than men (17.4%); one third of the graduates are women
- **Civil:** a higher percentage of women (24.7%) choose this discipline than men (19.7%); higher than the total graduating percentage of total females in engineering (18.3%)
- **Environmental:** 40-45% of graduates in this discipline are female
- **Geological:** 35% of graduates in this discipline are female

Teck's representation of female engineers as of March 31, 2015 is 20.5% in North America, 14.3% in South America and 19.4% of Teck's total engineering population. This is consistent with the number of female engineering students enrolling in Canadian mining and mineral disciplines.

2. Teck Leaders

Teck's overall leadership is currently comprised of 19.2% women; broken down into management (21.8%), senior management (10%) and executive roles (4.5%). Females make up 14.3% of Teck's Board of Directors.

Business Case

1. Diversity and Inclusion

Women are underrepresented in mining-related professions, where teams are predominately male. Women offer skills and technical abilities that companies can ill afford to ignore in today's tight talent market. Companies willing to create teams that are more diverse and to foster a supportive culture that includes engaged senior management will stand out. Diverse teams attract higher-quality talent, which in turn, will create a stronger company.

Increasing female leadership starts with increasing the overall female population and pipeline for promotion thus, promoting and growing a diverse and inclusive workforce and culture must be universal across all business functions.

2. Female Leaders

Increasing the number of women in leadership positions in all functions of the company affords the following benefits:

- Demonstrates that there is room for female advancement
- Provides an opportunity for female mentorship and as role models to junior staff
- Enhances problem solving when women are part of the decision making structure
- Can increase the financial performance of a company
- Enhances the company's social performance

Strategic Plan

In order to successfully increase female leadership at Teck, a careful and systematic approach must be taken. The vision and design must be global, while the site and office strategies designed for the unique local challenges, in order to achieve effective results and to embrace ownership of the initiatives.

The plan includes the following:

- 1. Pipeline enhancement through external education and awareness;
- 2. Transparent and consistent internal communications;
- 3. Unconscious bias awareness education:
- 4. Augmenting attraction through a public diversity and inclusion statement and gender sensitive language in job descriptions and job postings;
- 5. Modifying the interview process to have male and female interviewers for the same candidate;
- 6. Target engineering grads in chemical, civil, environmental and geological disciplines as these four areas attract the most women:
- 7. Enhanced leadership development plans;
- 8. Create a sponsorship program;
- 9. Identify high potential/high performing women on the succession plan;
- 10. To aid in retention, create a return to work plan after an extended leave of absence that may include flexible work arrangements;
- 11. Review child care options in Teck's communities of interest;
- 12. Review salaries to determine if there is a gender pay gap.

The execution of the strategic plan will likely take five to ten years to produce noticeable results as Teck builds up its pipeline of women ready for advancement and subsequently promotes them into leadership roles.

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Dedication

To my husband, Kelly, who is my rock and supported me unconditionally through this journey.

To my parents, Peter and Jean, who taught me to strive for my goals, always believed in my abilities and encouraged me through every step.

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Glossary

Bands Teck utilizes a band structure for compensation. Jobs of similar scope and

responsibility are grouped together into a band structure. Teck Bands range

from 1-14 and senior executives are unbanded.

Communities of Interest (COI)

Individuals or groups (other than employees of Teck) that may be affected

by, have an interest in, or have the ability to influence Teck.

Diversity At Teck, diversity is defined as any facet that can be used to differentiate

groups and people from one another including, but not limited to, differences in age, race, gender, disabilities, physical abilities, ethnic origin, religion, education, language, sexual orientation, social background and culture.

Diversity Working Committee ("DWC") The Executive Diversity Committee ("EDC") will appoint a Diversity Working Committee ("DWC") in 2015 to take the lead on diversity-related

initiatives and present viable solutions to the EDC.

Executive Diversity Committee ("EDC")

The committee was formed in 2014 to oversee diversity-related initiatives and is comprised of the Vice President, Human Resources (chair), Executive

Vice President and Chief Operating Officer, Senior Vice President,

Commercial and Legal Affairs and Senior Vice President, Sustainability and

External Affairs.

Inclusion Creating an environment in which people feel involved, respected, valued,

and connected—and to which individuals bring their "authentic" selves (their ideas, backgrounds, and perspectives) to their work with colleagues

and customers.

Leadership Roles Teck employees who supervise other employees and/or are in Band 8 and

above are included in the definition of leadership roles. Bands 8-11 are considered management, bands 12-14 senior management and unbanded

employees are executives.

Operational & Technical Role

Teck measures roles that are traditionally male dominated including equipment operators, trades and apprentices, engineers and engineers in

training, technical roles (assay, technicians), safety occupations, loss prevention, labourers and site based upper management roles including

supervisors, superintendents, foremen and general managers.

Sponsor Senior personnel of influence at Teck such as General Manager, Vice

President, Senior Vice President, COO, CEO. A sponsor is in a position to attend roundtable discussions that can make or break a career. The primary role of the sponsor (advocate) is to open doors for the talent and to introduce opportunities for exposure, to demonstrate to a different or higher-level

audience what he/she can bring to the company.

Sponsorship A sponsor takes an active role in the career development of an employee by

speaking to his/her strengths, making a case for advancement, and to be heard in the employee's absence. A sponsor will lever open a position and

put the employee's hat in the ring before he/she would.

Unconscious Bias Making assumptions based on limited or incomplete information, people

form an unconscious bias of that person, situation etc. The human mind is constantly processing information, oftentimes without our conscious

awareness.

1: Industry Definition

The mining industry has been a male-dominated industry since inception as it was labour intensive and a dangerous working environment. Over time safety and technology improved and job duties changed which made mining an acceptable career for women. Over the past four decades, women have entered into the mining workforce and have demonstrated that they are capable of performing the same duties as men.

1.1 Industry Boundaries

In 1978, the Ontario Mine's Act was altered to allow women to work in all aspects of mining in Canada. Given that it was less than forty years ago that women were permitted to become miners in Canada, it is understandable that site-level female leaders are still sparse today. Without a numerically robust female pipeline of junior and intermediate level employees, the pool of female candidates who are capable of aspiring to a leadership role is overwhelmingly limited.

Irrespective of legislation, mining has been a predominantly male career choice since inception due to the physical labour that was involved in most roles. Technology has reduced the need for one to be physically strong to extract the minerals however; mining has not been a career that has attracted many women given the past stigma. The mining community has not historically been welcoming to women due to a "boy's club" culture, lack of female facilities, scarce development opportunities, lack of shift flexibility, family responsibilities and few mentors.

In 1971, female representation in Canadian mining was 6.7% and increased to 11% (1996), 14% (2006)² and now currently sits at 16% (2013)³. Since the 1980s, industry has identified the challenges women face to have equal career opportunities in mining however, the step changes that have been made have not been sufficient to substantially increase the percentage of women in mining or in leadership roles.

¹ Stats Canada Labour Force – Canada Census Data; Chart Series D8-85

² Women in Mining Canada: Ramp Up Study (February 2010)

³ MiHR 2013 Canadian Mining Industry Employment, Hiring Requirements: Available Talent 10-Year Outlook

1.1.1 Competitors

Teck competes for talent with mining companies worldwide as well as forestry, oil and gas, construction and other industries that utilize tradespeople, equipment operators and engineers (mining, metallurgy, environmental, geological, chemical, and electrical).

Many industry competitors have not made notable strides in their diversity strategies however; Rio Tinto has well publicized diversity initiatives, targets and accomplishments⁴, as does Anglo American⁵ to a lesser degree. In order to compete with Rio and Anglo on a global attraction front, Teck must authentically portray itself as an industry leader in diversity and inclusion.

Should Teck wish to compete for global talent with the larger mining companies, Teck's diversity and inclusion strategy must be as robust as Anglo and Rio Tinto. Teck will have a competitive advantage over its other rivals (Gold Corp, Suncor, Barrick etc.) if the Teck strategy not only attracts more women and specifically, female leaders to Teck, but also uses the strategy as part of the recruitment marketing plan.

Women often chose careers where they feel they can make a difference and as such, they value a company's safety philosophy, business reputation, sustainability approach and support of work/life balance. All of these components pit Teck against its competitors in a war for talent and as Teck already has a strong reputation for being a socially responsible company, enhancing its focus on diversity will build a stronger brand and a company that women will feel proud to work for.

⁴ http://www.riotinto.com/annualreport2013/performance/

⁵ http://www.angloamerican.com/~/media/Files/A/Anglo-American-PLC-V2/investors/reports/aa-sdr-2803.pdf

2: Statistics

2.1 Industry Statistics

Gender statistics per industry and country are published infrequently in Canada whereas the United States reports monthly. Chile, the other country that Teck has operations, does not publish this data. Table 1 below identifies the male and female mining labour markets in Canada (2006) and the United States (April 2015) and indicate that women represent 13-15% of North American mining population.

Table 1 - Mining Labour Force by Gender

Mining Labour Force by Gender							
% of							
Country	Year	Male	Female	Total	Females	Measurement	
Canada	2006	52,585	7,895	60,480	13%	Mining - exluding oil and gas	
Canada	2006	195,165	43,650	238,815	18%	Mining - including oil and gas	
United States	Apr 2015	764,000	132,000	896,000	15%	Mining, quarrying, oil and gas	

Source: Table by author; data source: Canada: Statistics Canada 2006 Census; United States Department of Labour; Bureau of Labour Statistics; Labour Force Statistics from the Current Population Survey

The Oil and Gas sectors skew the labour force numbers, likely due to the higher wages offered in those sectors. Table 2 below identifies a wage premium of 17 - 21% in the oil and gas sectors. The higher wages probably account for higher female employment in these sectors.

Table 2 - Annual Salary Mining vs. Oil and Gas

Countries with Teck	Res	ources &			Oil & Gas
Operations	Min	ing	Oil	& Gas	Premium
Canada	\$	110,800	\$	130,000	17.3%
Chile	\$	96,900	N/	A	
United States	\$	92,200	\$	111,800	21.3%

Source: Table by author; data: Hays Resources & Mining Global Salary Guide 2013; Hays Oil & Gas Global Salary Guide Review of 2013, Outlook for 20104

2.2 Education Statistics

2.2.1 Engineers

A critical profession to enhance are the engineering disciplines as engineers often hold leadership positions at Teck, including senior executive roles. Increasing the number of female engineers is not an easy feat given that female Canadian engineering enrolment in 2013 was 13,778 or 18.9% of total enrolments⁶. Enrolment figures peaked in 1999 at 20.6%, declined to as low as 17.1% in 2008 and are now trending up since 2009 (see Table 3 below).

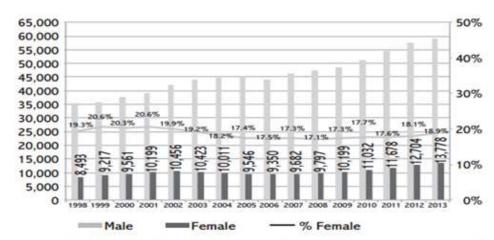


Table 3 - Canadian Undergraduate Engineering Full-time Enrolment by Gender

Source: Engineers-Canada: Canadian-Engineers-for-Tomorrow: Trends-in-Engineering-Envolment-and-Degrees-Awarded-2009-2013¶

Women entering Mining or Mineral engineering account for 1.23%⁷ of overall female enrolments, 170 women Canada-wide (13,778 total female engineering students in 2013). To note, male enrolment equates to 1.25%⁸ or 740 of 59,257 men choose this discipline. Given that both genders have low overall representation, there is an opportunity for the mining industry to educate male and female first year students on the opportunities in mining. Table 4 on the ensuing page outlines the 2013 female Canadian undergraduate enrolment per engineering discipline.

⁶ Engineers Canada: Canadian Engineers for Tomorrow: Trends in Engineering Enrolment & Degrees Awarded 2009-2013

⁷ Engineers Canada: Canadian Engineers for Tomorrow: Trends in Engineering Enrolment & Degrees Awarded 2009-2013

⁸ Engineers Canada: Canadian Engineers for Tomorrow: Trends in Engineering Enrolment & Degrees Awarded 2009-2013

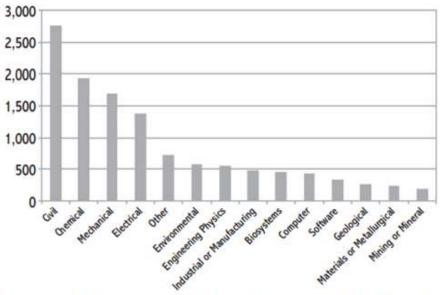


Table 4 - Female Undergraduate Enrolment (2013)

Source: Engineers: Canada: Canadian-Engineers: for Tomorrow: Trends-in-Engineering-Enrolment- and Degrees- Awarded: 2009-2013¶

Other engineering disciplines that are essential in mining are chemical, civil, electrical, environmental, geological and mechanical. Of the seven main mining disciplines, women account for 18.5% of females enrolled and degrees awarded in 2013.⁹

Appendix A and B identify the number of women who have enrolled and graduated from the seven mining disciplines from 2009 - 2013. The data highlights the following:

- Chemical: a higher percentage of women (32.7%) choose this discipline than men (17.4%); one third of the graduates are women
- **Civil:** a higher percentage of women (24.7%) choose this discipline than men (19.7%); higher than the total graduating percentage of females in engineering (18.3%)
- Environmental: 40-45% of graduates in this discipline are female
- **Geological:** 35% of graduates in this discipline are female
- Mining or Minerals: an equal percentage of men (1.7%) and women (1.6%) choose this discipline

These statistics are critical when evaluating opportunities to increase the number of female engineers recruited to Teck. The disciplines where females represent a higher percentage of graduates than men need to be leveraged.

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⁹ Engineers Canada: Canadian Engineers for Tomorrow: Trends in Engineering Enrolment & Degrees Awarded 2009-2013

2.3 Teck Statistics

2.3.1 Engineers

Table 5 below outlines Teck's representation of female engineers as of March 31, 2015 as 20.5% in North America, 14.3% in South America and 19.4% of Teck's total engineering population. This is consistent with the number of female engineering students enrolling in Canadian mining and mineral disciplines as shown in Section 2.2.1. Additionally, the table demonstrates that since 2013, the number of women in engineering has not grown whereas the number of men has declined.

		Fen	nale		Male			
	20	13	2015		2013		2015	
North America	65	20.0%	63	20.5%	260	80.0%	244	79.5%
South America	9	12.7%	10	14.3%	62	87.3%	60	85.7%
Total	74	17.8%	73	19.4%	322	82.2%	304	80.6%
Source: Table by author								

Table 5 - Teck Engineers by Gender

2.3.2 Female Leaders

Teck classifies leaders as employees who are in bands eight (8) and above. Bands 8-11 are management, senior management reside in bands 12-14 and executive management are unbanded. As Table 6 below illustrates, Teck's female leadership is 19.2% of the overall population.

		March 2015 - Leadership by Gender and Age Group											
AGE		20 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	65 and over		
Management	t											Total	
Band 8 - 11													
Male		1	93	143	144	129	104	141	70	48	13	886	78.2%
Female		1	31	60	43	44	26	24	10	8	0	247	21.8%
	Total	2	124	203	187	173	130	165	80	56	13	1133	
Senior Mana	gement												
Band 12 - 14													
Male		0	0	4	24	27	35	50	29	17	4	190	90.0%
Female		0	0	1	4	6	3	2	2	3	0	21	10.0%
	Total	0	0	5	28	33	38	52	31	20	4	211	
Executives													
Unbanded													
Male		0	0	0	0	1	13	22	15	10	2	63	95.5%
Female		0	0	0	1	0	0	2	0	0	0	3	4.5%
	Total	0	0	0	1	1	13	24	15	10	2	66	
									Total Males	in Leaders	hip Roles	1139	80.8%
											rship Roles	271	19.2%

Table 6 - Teck Leadership by Gender and Age Group

source: Table by Author; data from Teck internal reporting

Further, Table 6 identifies that the majority of management are aged 30-54 and female leaders represent 21.8% of this group. Females comprise 10% of the senior management profile who are primarily aged 35-64. Only 21 women (10%) are in senior management roles and a mere three women (4.5%) are executives.

As the level of management responsibilities increase from management to the executive level, the percentage of women in these roles decreases by over half.

3: Industry Dynamics

3.1 Industry (Human Resources) Supply Chain

Increasing female leadership must come from two sources: 1) current employees who are developed into leadership roles and 2) external hiring into leadership positions. The majority of leadership roles are filled internally as Teck fosters a culture of promoting from within. Therefore, the pipeline of women at Teck must be augmented.

Attracting women to the mining industry has been difficult over the years and requires a process that begins at elementary and high school to expose girls to the over 120 careers that are available in mining. This requires the assistance of teachers and parents to promote mining careers and to supply the pertinent facts surrounding education requirements and opportunities.

Canadian Universities such as the University of British Columbia¹⁰, University of Toronto¹¹ and York University¹² offer programs for young girls aimed at getting more women to enter the fields of science, technology, engineering and math.

After high school graduation, there must be a focus on the recruitment of women into trade discovery programs, university geoscience and engineering programs, and recruited to the sites for equipment operator and labourer roles.

Once employed at the sites, women need to be encouraged to bid on apprentice roles and to apply for promotions. Additionally, supervisors must be trained to recognize potential in women and encourage them to apply for these roles. Often, women wait to be recognized for their abilities rather than put up their hand and ask for a promotion or take on a stretch assignment.

All of these actions are necessary – from exposing young girls to science, technology and mining careers to encouraging women to take on a new role – in order to increase the population of women at the sites, which in turn expands the pool of females to develop into leaders.

¹⁰ http://engcite.engineering.ubc.ca/events/ee8/

¹¹ http://outreach.engineering.utoronto.ca/pre-university-programs/girls-jr-deep/

¹² http://science-explorations.info.yorku.ca/york-science-saturdays-for-girls/

3.2 Key Characteristics of the Industry

Mining companies compete for the same talent worldwide as highly sought after employees are mobile and will relocate for the right position. Teck needs to analyse the competitive environment, and understand what value diversity and inclusion would bring to attracting and retaining employees.

The acid test to determine the value for a strategy, described in Table 7, indicates that all four components give Teck an advantage over its competitors if a diversity strategy is formulated and executed to enhance the pipeline at the junior and mid-levels and then to develop those women into leaders.

Table 7 - Acid Test for Diversity Strategy

Value	Rare	Inimitability	Leveraged
Sets Teck apart from	Currently not many	The on-paper strategy	As more women are
competitors, attracts	mining companies	is easily copied but	hired at Teck and
more women, diverse	have a strategic plan	the leadership support	developed, more
teams aid in problem	aimed at diversity and	and resources put	women will become
solving and	inclusion	behind it need to be	leaders which will
innovation		genuine – this takes	perpetuate the cycle
		time	

Source: Table by Author

As every decision is made by choosing between competing resources, Teck must look closely at the value a diversity strategy will bring to the company – both cognitive and affective value. The finances and human resources that are required to formulate and execute the strategy will be significant thus; it must include quantifiable data including:

- Turnover cost cost to recruit, train employees (junior and senior level); loss of a female employee due to lack of advancement or because of an inhospitable culture;
- Research has shown that having women in leadership roles increases a company's financial performance¹³. Quantify research data and provide a forecast for potential revenue/cash flow based on certain percentages of female leaders;
- Cost of diversity training: i.e. unconscious bias, integrating into leadership training;
- Personnel for diversity committee (executive level and manager/employee level), planning and implementation at each site and office

¹³ http://www.psmag.com/business-economics/profit-thy-name-is-woman-3920

The strategy will be unique and inimitable, as the compilation of the individual parts that form the overall diversity strategy will set it apart from its competitors. As Teck resides in different jurisdictions than its competitors, the strategy will need to be formulated to benefit those unique locations (Alaska fly-in-fly-out, Canada rural and urban, Chile).

Certain components of Teck's diversity strategy may be similar to its competitors but the overall vision and execution will be unique given that it will be based on Teck's values, human capital and internal analysis of where Teck can gain the highest impact and likelihood of success.

In order to be successful, Teck will need to formulate a short term and long-term action plan for HR, line managers and executives based on the strategic plan including measureable deliverables; which may not be externally publicized. Engaging all three groups will pose challenges and will vary from site and country location. The probability of success will be directly correlated to the executive and site level value buy-in and execution of the strategy and activities.

4: Business Case

4.1 Diversity & Inclusion

Women are underrepresented in mining-related professions, where teams are predominately male. Women offer skills and technical abilities that companies can ill afford to ignore in today's tight talent market. Companies willing to create teams that are more diverse and foster a supportive culture that includes engaged senior management will stand out. Diverse teams attract higher-quality talent, which in turn, will create a stronger company. As Alex Johnston, Executive Director of Catalyst Canada succinctly states, "any time you're sitting around the table with people who have the exact same skills as you, that should terrify you." 14

Increasing female leadership starts with increasing the overall female population and pipeline for promotion thus, promoting and growing a diverse and inclusive workforce and culture must be universal across all business functions. All technical and operational positions as well as administrative, financial, legal and all other office-based roles must employ people from different backgrounds and cultures as well as both genders.

Appendix C outlines various research papers and studies that quantify how including women in the workforce augments leadership, team performance and motivation. Having a diverse workforce can translate into the following benefits for Teck:

- Widens the Talent pool when you include women and other under-represented groups, the pool of candidates increases by over 50%
- Skills shortage women are 50% of the population and can fill vacant roles
- Provides a competitive advantage
- A diverse team supports collaboration, innovation and problem solving
- Improves corporate financial performance (see section 4.2 Female Leaders)
- Enhances corporate reputation and manages discrimination risks
- Augments a company's ability to be an employer of choice
- Will assist Teck to achieve the Our People Teck sustainability goals
- Impact Benefit Agreements by hiring local indigenous peoples, Teck will meet the commitments and provide greater diversity to the workforce

 $^{14}\ http://www.theglobeandmail.com/report-on-business/rob-magazine/how-to-shake-up-corporate-canadas-old-boys-club/article 24028439/2009.$

Dow Jones Sustainability Index (DJSI) reporting – more difficult each year to stay ahead of
peers; by having a solid Diversity & Inclusion strategy, Teck will be able to meet DJSI
requirements and may even become an industry leader

4.2 Female Leaders

Studies have drilled down on how increased numbers of women in management, executive management and as members of the Board enhance a company's performance financially and socially, by enhancing a company's reputation for diversity and inclusion. Appendices D and E outline the benefits of increased female participation in senior management and on the Board of Directors.

4.2.1 Management

Increasing the number of women in managerial positions in all function of the company affords the following benefits:

- Demonstrates that there is room for female advancement
- Provides an opportunity for female mentorship and to become role models to junior staff
- Enhances problem solving when women are part of the decision making structure as the diverse team bring unique perspectives and ideas
- Can increase the financial performance of a company, as outlined in 4.2.2 and 4.2.3
- Enhances the company's social performance (see Section 5 Sustainability)

4.2.2 Executive Management

A 2010 study¹⁵ by McKinsey revealed that companies with three or more women in senior management score higher, on average, than companies without any women at the top. Criteria such as leadership, direction, accountability, coordination and control, innovation, external orientation, capabilities, motivation and work environment were analysed.

Further, Pepperdine University¹⁶ has been tracking Fortune 500 companies since 2001, supplying data from 1980, to evaluate the financial performance of competing companies that aggressively promote women to executive roles versus the median results of Fortune 500 companies. The top 25 firms with high representation of women provided the following results from 2001 data – revenue +34%, assets +18% and equity +69%.

¹⁵ McKinsey & Company: Women Matter 2010: Women at the Top of Corporations: Making it Happen

¹⁶ http://www.psmag.com/business-economics/profit-thy-name-is-woman-3920

Appendix D provides further examples of research that has been executed to substantiate the benefits of including women in senior management roles.

4.2.3 Board of Directors

Appendix E provides validation for increasing female representation on the Board of Directors including:

- Increased financial performance vs. Boards without women
- Governance and risk issues are minimized with a female Board member
- Aids in corporate transparency and ethics

For instance, the McKinsey's 2012 study¹⁷ on women on boards validated a link between a diverse Board and financial performance. In a study from 2008 – 2010 of 180 companies from Europe, the UK and the US, research found that for companies ranking in the top quartile of executive-board diversity, ROEs were 53 percent higher, on average, than they were for those in the bottom quartile. These same top quartile companies had, EBIT margins that were 14 percent higher, on average, than those of the least diverse companies.

¹⁷ McKinsey & Company: McKinsey Quarterly: Is there a payoff from top-team diversity? (April 2012)

5: Sustainability

5.1 Communities of Interest

Teck's Code of Sustainable Conduct states: "support local communities and their sustainability through measures such as development programs, locally sourcing goods and services and employing local people" When Teck employs the people who reside in its communities of interest ("COI"), they enhance the financial and social welfare of that area.

The vision is to create jobs, support livelihoods, promote a diversified and sustainable local economy, support new and emerging enterprises, and promote long-term capacity building. This will ultimately serve to benefit and sustain Teck's business as well as its COIs.

Women reside in Teck's COI and can be utilized to a much greater extent. Often these women will be hired into entry-level positions but can develop their skills and achieve advancement to leadership positions.

5.2 Reporting Requirements

In order to maintain Teck's position on the Dow Jones Sustainability World Index ("DJSWI"), Diversity Criteria¹⁹ must be met including:

- Board composition and Board diversity
- Workplace gender diversity including total employee representation, management (first line and senior) and senior executives
- Labour practice indicators and human rights
- Labour KPIs measured to determine quality and transparency of diversity reporting
- Assesses the proportion of women in senior management relative to junior management and how the proportion of women changes as the management level increases
- Ability to retain female talent compares the proportion of junior female managers to the proportion of senior female managers
- Average male and female salary per non-management level, management level and executive level
- Employee satisfaction survey per gender

¹⁸ Teck Code of Sustainable Conduct

¹⁹ RobecoSAM's Corporate Sustainability Companion April 2015

Maintaining or increasing its ranking on the DJSWI is important to Teck and having a strong female leadership team is a key component in achieving this. Leadership development and Board composition will need to be enhanced to attain a positive ranking.

6: Environmental Scan

Many internal and external factors affect the current and future state of diversity and inclusion at Teck. In order to increase the number of female leaders at Teck, one must review the advantages and opportunities as well as the risks and threats in Teck's environment. Table 8 below identifies the key drivers to incorporate into the strategy and Appendix F evaluates the scan in greater detail.

Table 8 - Environmental Scan; Female Leadership at Teck
POLITICAL

Advantages/Opportunities	Risks/Threats						
 Increase the number of female executives and Board members 	 Ontario Securities Commission ("OSC") reporting requirements 						
ECONOMIC							
Advantages/Opportunities	Risks/Threats						
• Retention – less turnover, less cost	 Competition for talent 						
 Investors may appropriate value to enhanced sustainability and diversity goals and results 	New employee direct and indirect costs						
 Improve corporate financial performance and risk management 							
SO	CIAL						
Advantages/Opportunities	Risks/Threats						
 Industry recognition; increased reputation Dow Jones Sustainability World Index ("DJSWI") since 2010 	 The DJSWI requirements are becoming more stringent and difficult to achieve each year 						
TECHNO	OLOGICAL						
Advantages/Opportunities	Risks/Threats						
• Baseline data and annual measurement from 2010; quarterly measurement since 2013	 Current reporting capabilities make reporting accurate and meaningful data challenging 						
Build a dashboard per business unit and site							
LE	EGAL						
Advantages/Opportunities	Risks/Threats						
• Respectful Workplace training; Policy: Violence,	• Diverse workforce can decrease discrimination risks						
Bullying and Harassment in the Workplace	Policies must hold a zero tolerance for non-						
Doing What's Right anonymous hotline Source: Table by Author	compliance or risk legal action from an employee						
Source. Tuble by Author							

The environmental scan highlights areas where Teck has a strong foundation including a position on the DJSWI, being recognized through diversity awards and having formal policy and training surrounding harassment and an inclusive work environment.

The scan also identifies significant weaknesses in technology reporting, potential future OSC requirements, and talent management.

7: Gap Analysis

7.1 Industry Gap Analysis

It is recognized that a lot of work needs to be done to increase female participation in mining however, the mining industry has not embraced how all parties – educators, industry and government need to band together to effect change. The majority of the key mining companies in Canada have been slow to respond to the gender imbalance and thus, their female representation remains low.

Teck has an opportunity to stand out from other Canadian and international mining companies to be a leader in diversity. This leadership will equate to brand recognition, higher rankings for sustainability (i.e. Dow Jones Sustainability Index) and to be a notable employer of choice. Additionally, fund managers and individual investors may appropriate value to enhanced sustainability and diversity goals and results.

7.2 Teck Gap Analysis

In 2009, Teck placed an emphasis on analysing projected natural attrition and retirement and determined that female participation needed to increase significantly in order to sustain existing operations' hiring requirements.

Having a low population of women at Teck directly correlates with the nominal number of women in leadership positions. Without many women in supervisory roles, women may not see a leadership role as being viable and thus, leave Teck in pursuit of other careers. Greater emphasis also needs to be placed on formulating and communicating development plans for females, as the number one reason for voluntary termination is lack of career development.

In order to strengthen Teck's female leadership numbers, the pipeline must be heavily augmented and development plans formulated for these women. As Table 9 on the following page demonstrates, Teck has made progress since 2010 with respect to technical and operational roles as well as overall female population and leadership roles however; the gap remains large as the number of men in these positions heavily outweighs the female employees. The lack of

company-wide strategic planning has led to misaligned goals, KPIs, targets and forecasting. With a corporate strategy, metrics can be used to set standards and stretch goals.

Table 9 - Teck Female Statistics as of March 31, 2015

Women in Operational or	Technical	Roles	
	As of Mar 31, 2015	Change over Aug 2010	Baseline Aug 31, 2010
Labourer, Operator, Loss Prevention, Safety	342	79.1%	19
Technical	185	41.2%	13
EIT	3	50.0%	
Engineer	73	97.3%	3
Geoscience	48	33.3%	3
Apprentice	11	-21.4%	14
Trade	27	35.0%	2
Superintendent	14	180.0%	
Foreman	5	66.7%	
General Manager	1	100.0%	
Total	709	61.5%	43
Percentage of Overall Teck Population	6.62%	46.5%	4.529
Leadership Positions Within the Above	113	140.4%	4
Percentage in Leadership Roles	15.9%	48.9%	10.79
Total Number of Women Employed at Teck	1,379	16.9%	1,18
% of Women in technical/operational roles	51%	38.2%	379
% of Women in administrative roles	49%	-22.6%	639
% of Women in Overall Teck Population	12.88%	6.1%	12.149
Source: Table by author; data from Teck Huma	an Resource	s Informatio	n System

The gap analysis by cost, timeframe and rank by projected value to internal and external customers should be reviewed by Teck to determine what Teck should do differently to achieve each goal.

The analysis should include what diversity strategies will have the greatest impact on success and likelihood of success. Focusing on the most impactful areas will parlay into an immediate benefit to existing employees – male and female – and will be an attractive recruitment and retention tool.

8: Opportunities and Issues

The opportunities and issues identified in this section will be further expanded into actionable solutions in Section 9: Strategic Plan.

8.1 Leadership Development Plans

Teck uses Building Strength with People ("BSWP"), a program that encompasses performance management with employee development and career planning. This tool is used to assist with succession planning. BSWP can be utilized more effectively to build the leadership development plans for women to ensure that all high performing females have a development path and that their progress along this path is reviewed semi-annually.

8.2 Implicit or Unconscious Bias

Making assumptions based on limited or incomplete information, people form an unconscious bias of that person, situation etc. Humans create and reinforce these biases through their upbringing, environment, societal stereotypes and experiences.

8.2.1 Leadership Path

Men hold the majority of senior management and executive roles at Teck and are involved in the recommendation and selection of new leaders within Teck. If these men have an unconscious bias towards developing or promoting women, the opportunities for advancing women will be limited.

8.3 Sponsorship

Sponsorship is more effective in advancing women and men than mentorship as a senior executive, who has influence, takes an active role in their career development. Sponsors are more than mentors, they are powerful backers who, when they discern talent, anoint it with their attention and support.

A sponsor is in a position to attend those roundtable discussions that can make or break a career. Their authority allows them to speak to strengths, make a case for advancement, and be heard in the employee's absence.

The primary role of the sponsor (advocate) is to open doors for the talent and to introduce opportunities for exposure, to demonstrate to a different or higher-level audience what you can bring to the company. Figure 1 below outlines the definition and duties of a sponsor.

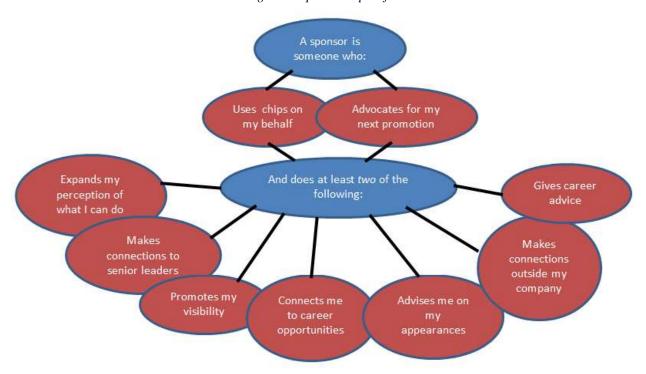


Figure 1- Sponsorship Definition

Source: Figure by Author; Data: Harvard Business Review Research Report; December 2010; The Sponsor Effect: Breaking Through the Last Glass Ceiling

8.4 Leave of Absence

8.4.1 Career Impact/Regression

Women who take a leave of absence for maternity/paternity or for other personal reasons, face the possibility of career stagnation or regression, when compared to their peers. During their leave, peers continue to gain valuable experience, work on new projects and stay abreast of career opportunities and the company's current strategy.

8.4.2 Return to Work

Returning to work after an extended leave of absence can be difficult as one transitions back to full-time employment and immerses oneself in the corporate culture. During the absence, the company, their supervisor, peers and the direction of the company can change. Re-engaging women returning to work including an update on the company/department, a career discussion and a designated period of flexible working hours can assist with the transition. This reengagement is essential for retention post-leave.

8.5 Child Care

Available, affordable and reliable child care is difficult to attain in many of the communities where Teck operates. Retaining women after maternity leave and during their child(ren)'s early years can be challenging if adequate child care is not present.

8.6 Flexible Work Arrangements

Flexible work arrangements can be a key component for retaining talent, primarily female employees, as they are often relied on more heavily for child and elder care.

8.7 Pay Gap

Employees with similar education and experience should be paid a comparable wage however; performance increases are subject to each employee's individual performance and can therefore cause a slight discrepancy. Teck's pay banding system assists to keep employees of the same experience and responsibility in the same range but conditions such as initial salary, leave of absence, exposure to projects and assignments as well as individual managers can affect an employee's pay. Reviewing male and female roles in each band can determine whether there is a pay gap and what, if any, corrective measures should be taken.

9: Strategic Plan

The following is a synopsis of the key areas to focus on in order to increase female leadership at Teck. The Executive Diversity Committee ("EDC") and the Diversity Working Committee ("DWC") will lead the strategic plan and determine who will be responsible and execute each objective. The responsible parties may differ at each Teck location.

9.1 Pipeline

In order to increase the number of women in leadership position, the pipeline of candidates must be augmented at every level.

9.1.1 External Education and Awareness

Teck needs to involve itself with educators in elementary, high school and college/universities to educate males and females about the opportunities in mining. Involving the parents in the communities of interest ("COI") is also essential to educate on potential careers and Teck's commitment to sustainability and safety.

Actions:

- a) Identify elementary, high school and college/universities in the COI where Teck can arrange to attend information sessions, career discussions, industry days, recruiting for co-op students. **Responsible:** Vancouver Talent Management, HR Recruiters
- Work with Teck recruiting personnel at each Teck location to compile a master list of events.
 Responsible: Vancouver Talent Management, HR Recruiters
- c) Along with HR personnel, assign Teck personnel who are relevant to the audience to attend the event (i.e. female engineer/geologist attends a university career fair; female tradesperson for a discussion on entering the trades). **Responsible:** Vancouver Talent Management, Site GMs (approval/support)
- d) In order to have relevant female participation, identify a corporate budget for travel from the sites to attend these events. (i.e. BCIT (Vancouver) trades industry day female tradesperson works at site and requires a travel budget that the site may not sponsor). Sites would still

- absorb the cost of the employee's wages and benefits. **Responsible:** VP HR (budget), Site GMs (approval/support)
- e) Host elementary and high school students at a site to give them a visual of how a site operates. Include females working in operations or technical roles during the tour/presentation. **Responsible:** Site GMs (approval/support), Site HR
- f) Within the COI, identify events that Teck could host a booth or a talk to educate the parents of the elementary and high school students of the opportunities in mining, particularly for females. Females in those roles will attend with HR or Community representatives.
 Responsible: Communities team, Site HR, Site GMs (approval/support)

9.2 Internal Communication and Unconscious Bias Education

Teck's diversity and inclusion strategy must be communicated to all Teck personnel and become integrated into Teck's core values. In order to attract, retain and advance women at Teck, there must be a common vision and goal.

An unconscious bias can be formed by making assumptions based on limited or incomplete information which results in a bias of that person, situation etc. The human mind is constantly processing information, oftentimes without our conscious awareness and makes quick decisions based on each situation. Unconscious bias training allows one to become aware that we all have these biases and provides mechanisms for identifying and mitigating our biases.

Unconscious bias awareness training is an important element to educate senior leaders, management and hiring personnel as it can affect resume review, the selection of interview candidates, the interview process, hiring decisions, employee development, promotions, assignments, succession planning, retention and effective communication with employees.

Actions:

- a) Create and communicate a Diversity and Inclusion vision and policy. **Responsible:** Executive Diversity Committee ("EDC") to lead and support/promote, Management, HR Personnel
- b) Conduct unconscious bias awareness training for all executives, management (all levels), supervisors, and HR recruiting personnel. Senior personnel will receive training from a consultant and training will then be handed over to HR. **Responsible:** Executive Diversity Committee ("EDC") to support/promote, Management, HR Personnel to conduct training

9.3 Attraction

Attracting a diverse team of male and female leaders to Teck is critical for the sustainability of the company and its ability to be innovative, financially sound and competitive. Teck can enhance its female leadership through the attraction of new talent.

9.3.1 Diversity and Inclusion Statement

Add a meaningful diversity and inclusion statement on job postings and on the Teck Careers web page to declare publically that Teck values a diverse workforce.

Action:

a) Create a diversity and inclusion statement. **Responsible:** HR Talent (Vancouver) to coordinate with Communications and post

9.3.2 Gender Sensitive Language

Ensure job postings and job descriptions contain non-gendered language. Further, listing the basic requirements of the role rather than the perfect candidate qualifications may encourage more women to apply.

Gender wording in job advertisements and job descriptions can effect whether a woman applies for a position. As most women's style of communication is more communal, using more emotional and social words may attract more women. Table 10 below highlights examples of "gendered" language to be modified in italics.

Table 10 - Gendered Language

Current "Gendered" Language	Revised Language
Strong communication and influencing skills	Proficient oral and written communication skills
Ability to perform in a <i>competitive</i> environment	Collaborates well in a team environment
Exceeds expectations to satisfy clients and to manage the company's relationship with them	Sensitive to the client's needs and develops a relationship

Source: Table by Author

Action:

 a) All postings and job descriptions to be reviewed for gendered language and basic requirements. Responsible: HR Talent (Vancouver), HR Recruiters (site) to review and rewrite as required

9.3.3 Resume Selection

Creating guidelines for gender diversity in resume selection can help to increase the number of women hired at every level of Teck.

Action:

a) Institute a gender balanced resume short list, when possible. When no women, or few women, apply for the role, advise HR as the job posting may need to be modified to attract women. **Responsible:** HR Talent (Vancouver), HR Recruiters (site), Hiring Managers

9.3.4 Interview Process

Having men and women interview the same candidates, either jointly or independently, can increase the chance of females being hired. A joint interview is preferable as this ensures consistency with the interview process and conversation and will allow the hiring team to assess the candidate succinctly.

Action:

a) Develop an interviewing process that includes one woman and one man as the interviewers for roles in Band 6 and higher. If a female leader isn't employed within the hiring group's team, have a female peer sit in. **Responsible:** HR Talent (Vancouver), HR Recruiters (site), Hiring Managers

9.3.5 Targeted Attraction – Engineers

A number of engineering disciplines have a higher percentage of women (per total population of women) than men who choose that specialty. These disciplines should be targeted during recruitment fairs and university visits. Table 11 on the ensuing page identifies four disciplines to target namely:

a) Chemical: a higher percentage of women than men choose this discipline (2013: female 17.4%; male 8.1%); one third of all Chemical graduates are female;

- b) Civil: a higher percentage of women (24.7%) than men (19.7%) choose this discipline;
- c) Environmental: Since 2011, 40-45% of females choose this discipline;
- d) Geological: Since 2009, 32-36% of females choose this discipline;

Table 11 - Female Recruitment-Engineering Disciples to Target

All Disciplines	2009	2010	2011	2012	2013
Total Undergraduate Degrees Awarded	10,781	11,536	11,761	12,382	13,363
Undergraduate Degrees Awarded to Women	1,898	1,988	2,129	2,235	2,447
% of Female Undergraduate Degrees Awarded	17.6%	17.2%	18.1%	18.1%	18.3%
Mining Disciplines:					
Discipline: Chemical					
Total Degrees Awarded	987	1,148	1,161	1,278	1,307
Awarded to Females	375	397	399	444	427
% of Females	38.0%	34.6%	34.4%	34.7%	32.7%
% of Total Female Engineering Students	19.8%	20.0%	18.7%	19.9%	17.4%
% of Total Male Engineering Students	6.9%	7.9%	7.9%	8.2%	8.1%
Discipline: Civil					
Total Degrees Awarded	1,853	1,962	2,235	2,325	2,751
Awarded to Females	429	426	491	500	605
% of Females	23.2%	21.7%	22.0%	21.5%	22.0%
% of Total Female Engineering Students	22.6%	21.4%	23.1%	22.4%	24.7%
% of Total Male Engineering Students	16.0%	16.1%	18.1%	18.0%	19.7%
Discipline: Environmental					
Total Degrees Awarded	135	181	229	258	300
Awarded to Females	48	61	95	116	121
% of Females	35.6%	33.7%	41.5%	45.0%	40.3%
% of Total Female Engineering Students	2.5%	3.1%	4.5%	5.2%	4.9%
% of Total Male Engineering Students	1.0%	1.3%	1.4%	1.4%	1.6%
Discipline: Geological					
Total Degrees Awarded	100	127	128	121	164
Awarded to Females	32	41	42	44	58
% of Females	32.0%	32.3%	32.8%	36.4%	35.4%
% of Total Female Engineering Students	1.7%	2.1%	2.0%	2.0%	2.4%
% of Total Male Engineering Students	0.8%	0.9%	0.9%	0.8%	1.0%

Actions:

 a) Place a heavy emphasis on targeting women from these four disciplines at University co-op recruitment fairs and in job advertisements. Responsible: HR Talent (Vancouver), HR Recruiters (site) b) Co-op and other external hiring should be reflective of the graduating population (i.e. two of five Environmental Engineers should be female). Responsible: HR Talent (Vancouver), HR Recruiters (site)

9.4 Talent Management

Creating leaders from within the existing talent pool is a valuable and critical source of leadership recruitment. In order to prepare existing females for assignments, leadership roles and executive positions, the development path must be clear, concise and have the ability to adapt as conditions change.

9.4.1 Leadership Development

Females in Band 6 and higher require a leadership development plan that will challenge and broaden her skills and experience to prepare her for a more advanced role. Using Building Strength with People ("BSWP"), development, people skills and education goals can be established and progress tracked and measured over the course of the year.

Actions:

- a) The leadership development plan should contain stretch goals such as a project or assignment, education if enhancement is required (i.e. financial acumen, SFU business education courses), **Responsible:** Supervisor of employee, if assistance is required in developing goals: HR Talent (Vancouver), HR Superintendents (site)
- b) Semi-annual BSWP development plan review should be conducted with the employee to discuss progress and any required alterations. Career discussions must include what her leadership goals are and the supervisor should gauge whether those goals are achievable and/or should be increased to a higher level. **Responsible:** Supervisor of employee, if assistance is required in developing goals: HR Talent (Vancouver), HR Superintendents (site)

9.4.2 Sponsorship

Developing a formal sponsorship program can help a female break through the "glass ceiling" towards achieving a senior management position. Women are often removed from critical conversations that determine who advances due to assumptions such as a female with children is less interested and/or available to take on an executive role. By having a sponsor to act

as her proxy, the sponsor will operate as her champion to put her forth for increased responsibility and promotions and level the gender playing field.

Actions:

- a) Create a Sponsorship Program that engages high potential and high performing female talent in Bands 9 and above. Program includes:
 - i) senior executives, executives and site GMs (collectively referred to as "sponsors")
 - ii) definition of who is a candidate for sponsorship (not gender specific) including, but not limited to, exceptional performance, results driven, diverse work experience, notable people skills, superior ambition, proven success in Teck's culture
 - iii) targets multiple sponsors/sponsees per business unit/location
 - iv) sponsor/sponsee relationship length will be until the leadership goal of the individual sponsee has been achieved

Responsible: Executive Diversity Committee (approval/support), Diversity Working Committee ("DWC") for program creation, Sponsors, Sponsees, Executive HR Talent (Vancouver), HR Superintendents (site)

Educate and coach the Sponsors and Sponsees on their roles and responsibilities.
 Responsible: Executive Diversity Committee (approval/support), Sponsors, Sponsees,
 Executive HR Talent (Vancouver), HR Superintendents (site)

9.4.3 Succession Planning

The future leaders of Teck are often identified through a succession plan. Insofar as female leaders are identified, Teck must ensure that all high potential and/or high performing females in bands 9 and above are reviewed for readiness, development and promotion at the annual succession planning meeting each spring and talent review session in the fall.

Actions:

- a) Ensure each business unit and site specifically reviews their high potential and/or high performance females in bands nine (9) and above for readiness, development and promotion.
 Responsible: HR Talent (Vancouver), HR Superintendents (site), Senior management
- b) Where a female is not ready for increased responsibility or position, the succession plan refers to the section on Leadership Development to create a leadership path. Responsible: HR Talent (Vancouver), HR Superintendents (site), Senior management

9.5 Retention

Retaining women in junior, intermediate and senior positions is critical to first feed the pipeline for leadership and second, to allow this female leadership team to grow. Women face many challenges in a male-dominated industry and in order to reduce the potential disadvantage women have, Teck needs to review practices for flexibility and equality.

9.5.1 Leave of Absence – Career Impact

Women who take a leave of absence of three months or greater for maternity/paternity leave or for personal reasons such as caring for an ailing parent, may find that their career path stagnates during their leave. By law, employees on leave are entitled to normal salary increases however when raises, assignments and promotions are being considered, employees who are readily present are likely to take a higher priority over someone currently absent into the foreseeable future.

Actions:

- a) Leadership development and succession planning must continue for women who are on an extended leave of absence. Responsible: HR Talent (Vancouver), HR Superintendents (site), Senior management
- b) Assign a mentor, the employee's supervisor or a senior peer, to keep in touch monthly with the employee while on leave. General updates on department developments, projects being worked on and company information is vital in order to help ease the re-introduction when the employee returns from leave. Ensuring the employee is invited to company social events is also important for her sense of belonging to the team. **Responsible:** Employee's Supervisor and/or Mentor

9.5.2 Leave of Absence – Return to Work

Returning to work after an extended leave can be challenging for an employee due to potential personnel changes within the department, modifications to roles and responsibilities and coming back to a project in progress. Having a return to work plan in place to ease the employee back into the fold can aid in engagement and retention.

Actions:

a) Incorporate Leave of Absence – Career Impact section b) as a component of the plan

- b) Assess each woman's situation independently to determine what has changed within her department group/role, their family situation (i.e. child care hours), her development plan (i.e. is it time for a new assignment). At least two months prior to her return, the supervisor will meet with her to discuss the above and her return to work plan. **Responsible:** Employee's Supervisor; HR (support)
- c) Review the possibility of part-time work for the first one to three months of her return based on personal situation and ability to commit to fulltime, productive work immediately upon return. **Responsible:** Employee's Supervisor; HR (approval and support)

9.5.3 Childcare

In many of Teck's communities of interest ("COI"), childcare is sparse and leaves families with very few options outside of relying on family or resigning from their job to care for their child fulltime. Women often opt out of employment for a number of years due to family obligations surrounding childcare and thus, their career progression is stunted. Teck should review each COI and assess whether adequate childcare is available for its employees.

Actions:

- a) One of Teck's COI, the Elk Valley, has documented childcare deficiencies which are currently being studied. The results of this study should be reviewed and a plan formulated to increase reliable childcare for this region. Teck may need to subsidize a program for early childhood educators and/or facilities. **Responsible:** Coal HR, Executive Diversity Committee (approval/support)
- b) Based on the findings and solution for the Elk Valley, other COI may benefit from a similar enhancement. Independent studies may need to be conducted for each COI to ensure that local issues are solved with local solutions. **Responsible:** HR Vancouver, Executive Diversity Committee (approval/support), Diversity Working Committee and Office/Site HR (implementation)

9.5.4 Flexible Work Arrangements

Balancing family responsibilities and a career are important considerations for a number of women, especially mothers, and can impact their decision to return to work and/or remain employed. Flexible work arrangements can be a key component for retaining talent and can

include job sharing, part-time work, graduated back to work after extended leave, flexible hours and working from home.

Actions:

- a) Each site and office must independently review what types of flexible working arrangements will work in their location. Flexible schedules must be made available to men and women in the same manner. **Responsible:** Employee's supervisor, Executive Diversity Committee (approval/support), Diversity Working Committee and Office/Site HR (implementation)
- b) The flexible arrangements should be communicated through a policy or by the supervisor as situations arise. Supervisors should be cognizant that not all employees will ask for flexible arrangements thus, to truly reap the benefit for both Teck (through retention) and the employee (achieving flexible work/life balance) a policy should be created and communicated. **Responsible:** Employee's supervisor, Executive Diversity Committee (approval/support), Diversity Working Committee and Office/Site HR (implementation)

9.5.5 Pay Gap Analysis

A pay gap review should be done to compare males and females in the same band to determine if there are pay discrepancies. A company that does such a review and corrects inconsistencies demonstrates to employees that men and women are treated equally and this can attract and retain female talent.

Actions:

- a) Review bands seven (7) and above for gender pay gaps between employees with similar roles, responsibilities, education and experience (both at Teck and externally). Leave of absence should not penalize the employee's comparative tenure. **Responsible:** Executive Diversity Committee (approval/support), Diversity Working Committee and Office/Site HR (implementation)
- b) Should pay gaps be identified per the above, corrective measures should be taken to close the gap immediately or over the course of a year if financially constrained by the current year's budget. **Responsible:** Executive Diversity Committee (approval/support), Diversity Working Committee and Office/Site HR (implementation)

9.6 Change Management

Each component of the strategic plan has a change management piece that must be properly administered and communicated across Teck. The vision and purpose for increased female leadership is important to convey to all Teck personnel and to have it supported by all levels of management.

Teck must engage the sites and offices at a local level to embrace and implement the components of this strategy that will be effective for their location.

Typically, employees resist change if communication is poor and the employee doesn't accept that change is required. Engaging employees and stakeholders in the process and keeping a consistent, open dialogue will support the change initiatives.

Appointing local sponsors and champions can be affective in defining roles, responsibilities and ensuring communication channels remain open and welcoming. The change agent, generally an HR representative, will guide the sponsors and champions throughout the change initiative.

a) Responsible: Executive Diversity Committee (approval/support), Diversity Working
 Committee and Office/Site HR (implementation)

9.7 Communications Plan

In conjunction with change management, a robust communication plan for all Teck employees must be utilized through each step to keep the initiatives as transparent as possible.

Specific communications will be needed for updating/educating senior management, management and front-line staff. The stakeholders that are affected during each initiative must be included in open, transparent communication and dialog. Changes made behind that scene that aren't communicated and thus utilized, become futile.

a) **Responsible:** Executive Diversity Committee (approval/support), Diversity Working Committee and Office/Site HR (implementation), Communications Team

10: Conclusion

This paper analyses the effects that female leadership, or lack thereof, can have on a mining organization and in particular, Teck.

The business case for Teck creating a more diverse workforce that includes an increased population of women was identified and supported by numerous research documents.

Additionally, to quantify the importance of female leadership, this paper evaluated the current status of females in the mining industry and Teck's female leadership statistics and demonstrated how increased female leadership can enhance Teck's core business strategies.

The paper outlines a detailed strategic plan that is implementable and can be customized per site and office location to address local and unique needs.

If Teck implements this strategy, it has the ability to increase its corporate reputation, enhance financial performance and productivity.

Appendices

Appendix A - Canadian Engineering Undergraduate Enrolment

All Disciplines	2009	2010	2011	2012	2013
Total Students Enrolled	58,872	62,259	66,316	70,201	73,035
Females Enrolled	10,199	11,032	11,678	12,704	13,778
% of Females Enrolled	17.3%	17.7%	17.6%	18.1%	18.9:
	11.071	11.174	11.071	10.171	10.0.
Mining Disciplines: Discipline: Chemical					
Total Students Enrolled	4,618	5,163	5,059	5,572	5,88
Females Enrolled	1,619	1,728	1,702	1,842	1,94
% of Females Enrolled	35.1%	33.5%	33.6%	33.1%	33.0:
% of Total Female Engineering	15.9%	15.7%	14.6%	14.5%	14.1
% of Total Male Engineering Students	6.2%	6.7%	6.1%	6.5%	6.7
Discipline: Civil					
Total Students Enrolled	9,614	10,543	10,949	11,853	12,11
Females Enrolled	2,064	2,249	2,403	2,593	2,75
% of Females Enrolled	21.5%	21.3%	21.9%	21.9%	22.7
% of Total Female Engineering	20.2%	20.4%	20.6%	20.4%	20.0
% of Total Male Engineering Students	15.5%	16.2%	15.6%	16.1%	15.8
Discipline: Electrical					
Total Students Enrolled	9,375	9,485	9,803	10,535	10,63
Females Enrolled	1,147	1,208	1,190	1,303	1,38
% of Females Enrolled	12.2%	12.7%	12.1%	12.4%	13.0
% of Total Female Engineering	11.2%	10.9%	10.2%	10.3%	10.0
% of Total Male Engineering Students	16.9%	16.2%	15.8%	16.1%	15.6
Discipline: Environmental					
Total Students Enrolled	982	1,085	1,229	1,440	1,44
Females Enrolled	380	427	504	565	57
% of Females Enrolled	38.7%	39.4%	41.0%	39.2%	39.7
% of Total Female Engineering	3.7%	3.9%	4.3%	4.4%	4.1
% of Total Male Engineering Students	1.2%	1.3%	1.3%	1.5%	1.5
Discipline: Geological					
Total Students Enrolled	556	560	604	667	73
Females Enrolled	188	198	221	245	26
% of Females Enrolled	33.8%	35.4%	36.6%	36.7%	36.7
% of Total Female Engineering	1.8%	1.8%	1.9%	1.9%	1.9
% of Total Male Engineering Students	0.8%	0.7%	0.7%	0.7%	0.8
Discipline: Mechanical					
Total Students Enrolled	12,828	13,443	13,878	14,639	15,50
Females Enrolled	1,240	1,383	1,382	1,514	1,68
% of Females Enrolled	9.7%	10.3%	10.0%	10.3%	10.9
% of Total Female Engineering	12.2%	12.5%	11.8%	11.9%	12.2
% of Total Male Engineering Students	23.8%	23.5%	22.9%	22.8%	23.3
Discipline: Mining or Minerals					
Total Students Enrolled	860	876	936	1,046	1,30
Females Enrolled	129	143	168	186	19
% of Females Enrolled	15.0%	16.3%	17.9%	17.8%	14.6
% of Total Female Engineering	1.3%	1.3%	1.4%	1.5%	1.4
% of Total Male Engineering Students	1.5%	1.4%	1.4%	1.5%	1.9
Total Mining Disciplines	38,833	41,155	42,458	45,752	47,61
Females Enrolled	6,767	7,336	7,570	8,248	8,79

Source: Table by Author; data from Engineers Canada: Trends in Engineering Enrolment and Degrees Awarded 2009 - 2015

Appendix B - Canadian Engineering Undergraduate Degrees Awarded

All Disciplines	2009	2010	2011	2012	2013
Total Undergraduate Degrees Awarded	10,781	11,536	11,761	12,382	13,363
Undergraduate Degrees Awarded to Wo	1,898	1,988	2,129	2,235	2,447
% of Female Undergraduate Degrees A	17.6%	17.2%	18.1%	18.1%	18.3%
Mining Disciplines:					
Discipline: Chemical					
Total Degrees Awarded	987	1,148	1,161	1,278	1,307
Awarded to Females	375	397	399	444	427
% of Females	38.0%	34.6%	34.4%	34.7%	32.7
% of Total Female Engineering	19.8%	20.0%	18.7%	19.9%	17.42
% of Total Male Engineering Students	6.9%	7.9%	7.9%	8.2%	8.1%
Discipline: Civil					
Total Degrees Awarded	1,853	1,962	2,235	2,325	2,75
Awarded to Females	429	426	491	500	605
% of Females	23.2%	21.7%	22.0%	21.5%	22.0%
% of Total Female Engineering	22.6%	21.4%	23.1%	22.4%	24.7%
% of Total Male Engineering Students	16.0%	16.1%	18.1%	18.0%	19.7%
	10.07	10.17	10.17	10.07	
Discipline: Electrical	2.099	2,103	2.041	2,055	2,137
Total Degrees Awarded Awarded to Females	2,099 270	276	2,041 248	259	283
% of Females	12.9%	13.1%	12.2%	12.6%	13.25
% of Total Female Engineering	14.2%	13.9%	11.6%	11.6%	11.6%
% of Total Male Engineering Students	20.6%	19.1%	18.6%	17.7%	17.02
	20.07	13.17	10.07	11.174	11.07
Discipline: Environmental	405	404	200	050	200
Total Degrees Awarded	135	181	229	258	300
Awarded to Females	48	61	95	116	12
% of Females	35.6%	33.7%	41.5%	45.0%	40.32
% of Total Female Engineering	2.5%	3.1%	4.5% 1.4%	5.2%	4.9%
% of Total Male Engineering Students	1.0%	1.3%	1.4%	1.4%	1.6%
Discipline: Geological					
Total Degrees Awarded	100	127	128	121	164
Awarded to Females	32	41	42	44	58
% of Females	32.0/	32.3%	32.8%	36.4%	35.4%
% of Total Female Engineering	1.7%	2.1%	2.0%	2.0%	2.42
% of Total Male Engineering Students	0.8%	0.9%	0.9%	0.8%	1.0%
Discipline: Mechanical					
Total Degrees Awarded	2,728	2,984	2,966	3,153	3,255
Awarded to Females	303	307	282	324	344
% of Females	11.1%	10.3%	9.5%	10.3%	10.6%
% of Total Female Engineering	16.0%	15.4%	13.2%	14.5%	14.1%
% of Total Male Engineering Students	27.3%	28.0%	27.9%	27.9%	26.72
Discipline: Mining or Minerals					
Total Degrees Awarded	139	209	222	237	220
Awarded to Females	29	30	46	35	38
% of Females	20.9%	14.4%	20.7%	14.8%	17.35
% of Total Female Engineering	1.5%	1.5%	2.2%	1.6%	1.6%
% of Total Male Engineering Students	1.2%	1.9%	1.8%	2.0%	1.72
Total Mining Disciplines	8,041	8,714	8,982	9,427	10,134
Awarded to Females	1,486	1,538	1,603	1,722	1,876
	0,400	,,000	,,000	18.3%	18.5%

Appendix C - Diverse Workforce; Benefits of Including Women

Diverse Workforce - Benefits of Including Women					
Benefit to Organization	Argument	Evidence	Source		
	Women bring different leadership skills and behaviours to the table	A meta-analysis of 45 studies on leadership styles found that women were more likely than men to have a 'transformational' leadership approach (where leaders establish themselves as role models by gaining followers' trust and confidence) than a 'transactional' leadership approach (where leaders establish give-and take relationships that appeal to subordinates' self-interest). Women are also perceived to adopt a more participative and collaborative	Eagly, A., & Carli, L., 'Women and the Labyrinth of Leadership', Harvard Business Review, September 2007		
		Although consistent differences in the perceptions of leadership practices of male and female managers have been found to be evident, studies have found that the genders are equal with respect to overall effectiveness	Kabanoff, R., 'Gender Differences in Organizational Leadership: A Large Sample Study', , Ph.D. Management Research Group, August 1998		
Leadership, Team Performance and Motivation	Diverse teams are smarter and more effective	Along with social sensitivity and equal turns at conversation, studies have suggested that the "collective intelligence" of a group is strongly correlated with the proportion of females in the group, making for smarter and more effective teams.	Williams Woolley, A. et al. 'Evidence for a Collective Intelligence Factor in the Performance of Human Groups', Science v. 330, p. 686 (2010)		
	Diverse teams are more creative	Heterogeneous top management teams relate to more creative idea generating, and are thus linked to more innovative organizations.	Marinova, Plantegna & Remery 'Gender Diversity and Firm Performance', Utrecht School of Economics, January 2010		
	More women in leadership roles provides more motivation for women to succeed	A Catalyst survey found that 64% of women see the absence of role models as a barrier to their career development. Almost as many women said that a lack of mentoring was a barrier to career progression	'Women Matter: Gender Diversity, a corporate performance driver, McKinsey & Company, 2007		
	Diversity programs have a positive impact on motivation	A European Commission study found that 60 percent of companies identified improvement in motivation and efficiency as a key benefit of diversity policies. piect; http://genderequity.ahri.com.au/docs/GEP-Building_a_Business_case_fol	'The Costs and Benefits of Diversity: A Study on Methods and Indicators to Measure the Cost-Effectiveness of Diversity Policies in Enterprises', European Commission, October 2003		

Appendix D - Senior Management; Benefits of Including Women

Senior Management - Benefits of Including Women					
Benefit to Organization	Argument	Evidence	Source		
Organizational, Financial and Market Performance Companies with executive management highly on organizational than companies of the top.	Companies with more women in senior management score more highly on organizational criteria than companies with no women at the top.	A McKinsey study found that companies with three or more women in senior management functions score more highly, on average, on organizational criteria (such as leadership, direction, accountability, coordination and control, innovation, external orientation, capability, motivation, work environment) than companies with no women at the top	'Women Matter: Women at the top of corporations: Making it happen', McKinsey & Company 2010		
	Companies with more women in executive management have been shown to financially outperform companies that have no women in senior roles	A long-term US study released in 2009 showed a correlation between women in executive management and short and long-term profitability. The study, which used data on Fortune 500 companies since 1980, demonstrated a link between a good record of promoting women into the executive suite and high profitability. The study identified firms that were most aggressive in promoting women to high levels and compared their profit performance to the median performance of Fortune 500 firms in the same industries (amongst other measures). For 2001, the 25 best firms for women outperformed the industry medians, with overall profits 34 percent higher when calculated for revenue, 18 percent higher in terms of assets and 69 percent higher in regard to equity. These results were confirmed in subsequent comparisons to 2008.	Adler, R., 'Profit, thy name is Woman?', Pacific Standard, Fel 27, 2009		
		According to a US study, Fortune 500 companies with the highest representation of women on their top management teams experienced better financial performance on measures of ROE (35.1 percent higher) and Total Return to Shareholders (34 percent higher) than companies with the lowest women's representation.	'The Bottom Line: Connecting Corporate Performance and Gender Diversity', Catalyst, 2004		

Appendix E – Board of Directors; Benefits of Including Women

Benefit to Organization	Argument	Evidence	Source
		Research by MoKinsey has demonstrated a link between diversity of company boards (defined as number of women and foreign nationals) and financial performance. In a study of 180 companies across Europe, the UK and the US, in the period 2008-10, research found that for companies ranking in the top quartile of executive-board diversity, ROEs were 53 percent higher, on average, than they were for those in the bottom quartile. At the same time, EBIT margins at the most diverse companies were 14 percent higher, on average, than those of the least In a separate study of listed European and BRIC companies in the period 2007-09, MoKinsey found that companies with the highest share of women outperform companies with no women: by 41 percent in terms of return on equity, and by 56 percent in terms of EBIT.	"MoKinsey Quarterly: Is there a payoff from top-team diversity?", McKinsey & Company, April 2012 "Women Matter: Women at the top of corporations: making it happen", McKinsey & Company, October 2010
Organizational, Financial and Market Performance	Companies with more women on their boards have been shown to financially outperform companies that have no women on their boards	A Catalyst study of Fortune 500 companies across a four-to-five year period found a connection between gender diversity on boards and financial performance. The study found that companies with the most women board directors outperform those with the least on return on sales (ROS) by 16 percent and on return on invested capital (ROIC) by 26 percent. The study also found that companies with sustained high representation of women board directors, defined as those with three or more in at least four of five years, significantly outperformed those with sustained low representation. In Australia, an analysis of ASX500 companies over a three and five year timeframe found that companies with female representation on their boards outperformed the markets and companies with no gender diversity over both time periods. There was an 8.7 percent difference over five year return-on-equity and a 6.7 percent.	'The Bottom Line: Corpora Performance and Women's Representation on Boards (2004-2008)', Catalyst, 2011 'ASX500 – Women Leaders Research Note', Reibey Institute, June 2011
		found that companies with more than one woman on the board have outperformed those with no women on the board by 26 percent since 2005	corporate performance? Credit Suisse, 2012
	Companies with women in key board committee roles (such as risk and audit) perform better	Gender-diverse boards allocate more effort to monitoring. Across a sample of firms, studies have found that female directors have better attendance records than male directors, male directors have fewer	Adams, R., & Ferreira, D., 'Women in the boardroom and their impact on governance and
_	There is a link between more women on boards and good corporate governance credentials	A 2002 Canadian study found that boards in Canada with three or more female directors took more responsibility for their approach to governance issues, verifying the integrity of audit information and ensuring conflict of	"Women on Boards: Not jus the right thing But the brigh thing", Conference Board o Canada, 2002
	Companies with at least one woman on their boards may reduce their risk of bankruptcy.	A study by Leeds University Business School of 17,000 UK companies that went insolvent in 2008 concluded that having at least one female director cuts a company's chances of going bankrupt by about 20%	'Higher heels, lower risk: wh women on the board help a company through recession The Times, 19 March 2009
corporate Social Responsibility and Culture	More gender diversity on boards may lead to greater corporate transparency and improved ethical orientation	Fortune 500 companies that had higher numbers of women on their boards in 2010 were more likely to be listed on either or both Ethisphere Magazine's 'World's Most Ethical Companies' and Corporate Responsibility Magazine's '100 Best Corporate Citizens List'.	Larkin, M., Bernardi, B., & Bosco, S., 'Board Gender Diversity, Corporate Reputation and Market Performance', The International Journal of

Appendix F – Environmental Scan: Female Leadership at Teck

Political

Advantages/Opportunities

 Teck has an opportunity to set itself apart from other mining and TSX listed companies by increasing the number of female executives and Board members

Risks/Threats

- If Teck does not comply with the Ontario Securities Commission ("OSC") reporting
 requirements, there could be negative consequences from the OSC, shareholders and the
 general public. One would also expect that over time, the OSC requirements, listed
 below, will become more stringent:
 - Policies regarding the representation of women on the board
 - How the board or nominating committee considers the representation of women in the director identification and selection process.
 - How the company considers representation of women in filling executive officer positions.
 - Company targets regarding the representation of women on the board and in executive officer positions.
 - The number of women on the board and in executive officer positions
- Increasing female representation in senior and Board levels is a long-term process and
 commitment and cannot be done effectively in a short time-frame. Should future OSC
 requirements enforce quotas or other such measurement, and where Teck does not
 currently comply, there is a risk of hiring or promoting females in haste.

Economic

Advantages/Opportunities

- The competition for talent remains high. Having a strong diversity and inclusion strategy and subsequently, a diverse workforce can aid in:
 - Retention less turnover, less cost
 - Attraction being an employer of choice should aid in attracting qualified talent
 - Increasing the pool of talent
 - Increasing the number of women in executive and board member positions has proven to improve corporate financial performance and risk management
- Fund Manager and Individual investors may appropriate value to enhanced sustainability and diversity goals and results

Risks/Threats

- If the current demographic is left status quo at Teck, or if competitors expeditiously employ a more diverse workforce, Teck could face challenges in recruiting and retaining talented individuals.
- New employee direct and indirect costs include recruitment, training, workplace integration and lost productivity. The cost is estimated to be 1.5x the employee's salary.²⁰

Social

Advantages/Opportunities

- Increased gender diversity results are being noticed by industry professionals such as Mining Industry Human Resources ("MiHR"). Positive press, awards and acknowledgements can be leveraged to improve Teck's reputation. Teck was the recipient of two diversity awards²¹ in 2014.
- Teck's position on the Dow Jones Sustainability World Index ("DJSWI") since 2010 is a valuable component of Teck's sustainability and corporate responsibility goals.
- In order to maintain Teck's position on the DJSWI, Diversity Criteria²² must be met including:
 - Board composition and Board diversity
 - Workplace gender diversity including total employee representation, management (first line and senior) and senior executives
 - Labour practice indicators and human rights
 - Labour KPIs measured to determine quality and transparency of diversity reporting
 - Assesses the proportion of women in senior management relative to junior management and how the proportion of women changes as the management level increases
 - Ability to retain female talent compares the proportion of junior female managers to the proportion of senior female managers
 - Average male and female salary per non-management level, management level and executive level
 - Employee satisfaction survey per gender

²¹ 2014 BC Mining HR Diversity Award; 2014 Exemplary Initiative Diversity Award - SFU Nancy McKinstry Awards for Leadership in Diversity

²⁰ The Advisor: Cost of Employee Turnover

²² RobecoSAM's Corporate Sustainability Companion April 2015

Risks/Threats

The DJSWI requirements are becoming more stringent and difficult to achieve each year.
 Teck needs to strengthen this position with respect to diversity criteria or risk losing points if diversity results do not improve.

Technological

Advantages/Opportunities

- Teck has baseline data and annual measurement from 2010 and consistent quarterly measurement since 2013.
- Building a dashboard with drill-down components per business unit and site would provide the sites instant access to their data – what you can measure has a greater probability of improving.

Risks/Threats

 Teck's current reporting capabilities make reporting accurate and meaningful data challenging.

Legal

Advantages/Opportunities

- Teck has rolled out Respectful Workplace training and has implemented a formal policy on Violence, Bullying and Harassment in the Workplace and a Harassment policy.
- Teck has a Doing What's Right anonymous hotline that an employee can report incidents
 of harassment or other unwelcome work environments.

Risks/Threats

- The risk of a discrimination law suit may be higher with a less-diverse workforce.
- Violence, Bullying and Harassment in the Workplace and Harassment policies must hold a zero tolerance for non-compliance or risk legal action from an employee.

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