



# Sustainability Report 2018

Coronado Global Resources Inc.





Bedford Weir, Central Queensland, Australia

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## About Coronado

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Coronado Global Resources is one of the world's largest producers of high-quality metallurgical coal. Through our market-leading expertise, we operate some of the safest, cleanest and lowest cost mines in the industry. Coronado employs over 1700 people and our head office is located in Brisbane, Australia. Our operations are situated in two of the largest and most productive metallurgical coal basins in the world, the Bowen Basin in Queensland, Australia and the Central Appalachian region of the US, servicing customers throughout the Asia-Pacific, Americas and Europe. In total, we have eleven operating mines that are located close to transportation infrastructure. With a diversified production base and significant Reserves and Resources, Coronado is well placed to grow over many years to come. As a reliable supplier to the steel industry, we are dedicated to making a positive contribution to the global economy; and through our sustainable business practices, to the local economies and communities where we operate.



Above Gerry Spindler, Managing Director and CEO

# Message from the CEO

We are proud to introduce Coronado's first annual Sustainability Report. Coronado has a strong focus on corporate sustainability and the role we play in ensuring we have a positive impact on the lives of people who benefit from the products we help to produce.

We believe we can deliver a sustainable business by prioritising the safety, health and wellbeing of our people, creating a diverse and highly skilled workforce and having the highest regard for the communities and the natural environments in which we operate.

The performance measures and various initiatives we have outlined in this report demonstrate our commitment to being an active and responsible global corporate citizen.

## Steel Starts Here

Our business is focused primarily on the production of metallurgical coal, which is a key and currently irreplaceable, component in steel manufacturing. The world needs steel for economic growth as it is an essential material for sustaining global communities.

Steel is a fundamental component in the development of buildings and infrastructure and the manufacture of items such as motor vehicles, mechanical equipment, domestic appliances and electrical equipment. It is also necessary for the progression of the renewable energy industry and is critical to the wellbeing and advancement of millions of people globally, particularly in developing countries.

“ Our business is focused primarily on the production of metallurgical coal, which is a key (and currently irreplaceable) component in steel manufacturing. The world needs steel for economic growth and is an essential material for sustaining global communities ”

Coronado produces thermal coal, which is primarily sold, under a long-term legacy contract, to Stanwell Power Station. Stanwell is owned by the Queensland Government and the thermal coal produced by Curragh is used to supply base load power demand in Queensland.

Coronado creates value from the economic and social benefits generated by providing a premium-quality metallurgical coal for use in the production of steel. Value is also generated by the direct and indirect employment of many thousands of people globally, the restoration and improvement of the environments in which we operate and the economic and social contribution to communities across multiple geographies.

### Our commitments

Safety is the cornerstone of everything we do at Coronado. No other business objective will take priority over our commitment to maintain a healthy and safe workplace for our people. I am very pleased to report that both the US and Australian operations achieved their safest year on record, outperforming their respective national industry benchmarks.

How we engage with our people, our customers and our suppliers is critical to our longevity. Our people are the heart and soul of our business and we are committed to maintaining a culture that respects and embraces diversity, continuous learning and health and wellbeing.

Our engagement with external stakeholders, including our customers and suppliers, is critical to our success and we are committed to operating our business in a fair and transparent manner. We continually seek to understand how we can meet their needs and create long-term partnerships that are mutually beneficial.

We acknowledge and take responsibility for any impact we have on the environment through our operations. We seek to address these impacts by implementing mitigation measures and continuously improving our processes and procedures. This includes ensuring we have best in class practices for the restoration and improvement of the land, water and environments in which we operate. How we interact with our environment will continue to provide us with our licence to operate.

We are currently reviewing and considering the Task Force on Climate-related Financial Disclosures (TCFD) framework for reporting on climate-related financial risks. Any recommendations deemed to be appropriate to Coronado will be incorporated in future sustainability reports.

At Coronado we have a focused and disciplined approach to financial management that ensures we are well positioned to deliver sustainable long-term returns to shareholders. We have a strong balance sheet with stable operating cash flows and by maintaining a disciplined approach to capital management, we expect to deliver positive financial returns through commodity cycles.

### The outlook

Since 2011, we have built a company that is now one of the largest dedicated global producers of metallurgical coal with products that are sought after by some of the largest steel mills in the world. In 2019 and beyond, we will continue to grow the business and deliver value that will benefit all stakeholders, including our employees, our customers, our shareholders and the communities in which we operate.

This report provides a snapshot of the reporting measures and initiatives in place in 2018 and some of the initiatives we are targeting for 2019. We take our commitment to sustainability seriously and will continue to focus on improving our performance.

We look forward to updating you on our progress.



Gerry Spindler  
Managing Director & CEO

# Steel Starts Here

Steel is the most commonly used metal in the world and a fundamental pillar for economic growth.

Source: World Steel Association: Steel Facts

## Sustainability of Steel

World crude steel production in 2018 was just over:

# 1.8 billion tonnes



About 630 million tonnes of scrap steel is recycled every year saving nearly

# 950 million t

of CO<sub>2</sub> annually that would of been emitted from the production of virgin steel.

Global steel industry consumes:

<b>circa 2 billion t</b>	<b>Iron ore</b>
<b>1 billion t</b>	<b>Metallurgical coal</b>
<b>575 million t</b>	<b>Recycled steel</b>
to produce:	
<b>1.8 billion t</b>	<b>Crude steel annually</b>

Over

<b>25 billion t</b>	<b>Steel scrap</b>
have been recycled to make new steel since 1900. This has reduced the following:	
<b>Iron ore consumption</b>	<b>35 billion t</b>
<b>Coal consumption</b>	<b>18 billion t</b>

Almost 100% of the steel industry's co-products can be used. Slag is used in:

<b>Cement</b>	<b>Fertilisers</b>	<b>Road construction</b>	<b>Hydraulic engineering</b>
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Process gasses are used to produce:

<b>Heat</b>	<b>Electricity</b>	<b>Reducing agents</b>
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Iron oxides and zinc are recovered from:

<b>Dust</b>	<b>Sludges</b>	<b>Chemical Industry</b>
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Steel is used in key social infrastructure, such as hospitals, roads, bridges and schools. It is also used for everyday household products, such as cars, appliances and building materials. Steel is important for the development of renewable technologies, including electric cars and wind farms. Therefore, steel is a vital product to improve the quality of the lives of many people across the globe.

Key raw materials required in steelmaking include iron ore, metallurgical coal, limestone and recycled steel. Coronado produces metallurgical coal, which is a fundamental input for steel production for which there is no viable alternative in the foreseeable future.

Energy consumption per tonne of steel has:

reduced by

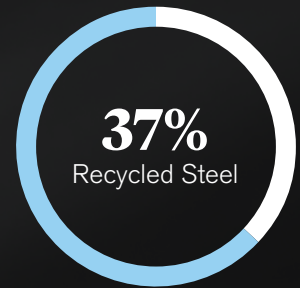
**61%**

since the 1960s, which has contributed to a significant decrease in CO<sub>2</sub> intensity.

Steel can be recycled infinitely and is:



On average, new steel products contain:



Recycling accounts for significant energy and raw material savings.

Renewable energy sources rely heavily on steel and will play a key role in transitioning to a:

Recycling

<b>1t</b>	<b>Steel scrap</b>	saves	
<b>1.5 t</b>	<b>CO<sub>2</sub></b>	<b>1.4 t</b>	<b>Iron ore</b>
<b>740 kg</b>	<b>Coal</b>	<b>120 kg</b>	<b>Limestone</b>



**Low carbon environment.**

Among all renewables, solar power has experienced the fastest growth and currently accounts for:

approximately

**18%**

of the world's global renewable installed capacity.

Steel is used in the base, pumps, tanks and heat exchanges of:



**Solar panel installations.**



# About this report

Coronado Global Resources' Sustainability Report for the period ended 31 December 2018 is our first Sustainability Report. The Sustainability Report outlines the Company's performance in the areas of Safety and Health, People, Communities, Environment and Financial Performance. It also provides a snapshot of the locations and functions of our operating sites and a brief overview of the role metallurgical coal plays in the production of steel. The importance of steel in sustaining global communities and economies is also highlighted throughout the report.

## Why report on sustainability?

Coronado believes that sustainability is intrinsically linked to long term business performance and acknowledges that stakeholders are increasingly demanding greater transparency on sustainability performance. As a business that is concerned with generating long-term value for its shareholders, Coronado is committed to providing clarity on its approach to sustainability. We recognise that sustainability goes beyond financial capital and that other important measures, such as human, natural and social capital will underpin the sustainability of our business over the long term.

## Material issues in 2018

There are six key material issues identified that have the potential to impact the business and its sustainability:

- The health and safety of our people is a key priority and we are committed to achieving leading industry performance in this area. This includes the physical safety and mental wellbeing of our people.
- Protecting the environment and restoring the land we disturb is fundamental to our business. Our commitment to implementing standards that are best practice should minimise the impact of our operations, including how water is used and waste is managed.
- Being able to attract and retain skilled people is critical to a high-performing workforce and a talent pipeline that provides strong leadership succession.

- Engagement and cooperation with the communities in which we operate is a key enabler to being a safe, reliable and environmentally conscious employer of choice.
- Maintaining a sound financial position (which includes having a strong balance sheet, focus on cost management and a long-life reserve base) is a foundation to managing the business through commodity cycles and driving value for shareholders.
- The physical and non-physical impacts of greenhouse gas emissions on climate change attract significant public attention and scrutiny. Coronado will continue to work with industry on this important topic and will develop an appropriate response to the Task Force on Climate-related Financial Disclosures (TCFD) framework for reporting on climate-related financial risks.

We are committed to proactively managing these risks and adopting a process of continuous improvement to ensure we achieve and maintain a sustainable business for our stakeholders, including, shareholders, employees and the communities in which we operate.

## Independent assurance

Coronado has engaged Ernst & Young (EY) to provide independent Limited Assurance over selected indicators within this report. Indicators that are assured by EY are marked with an asterisk (\*). EY's assurance statement is provided on page 31.



# Map of Operations

## 1. Curragh

### Location

Bowen Basin in Central Queensland

**Year opened** ..... 1983

**Year acquired** ..... 2018

**Reserves** ..... 311 Mt

**Resources** ..... 957 Mt

**2018 Saleable production** ..... 12.1 Mt

### Number of active mines<sup>1</sup>

Two mines, Curragh East and Curragh North, utilising draglines, a rope shovel and hydraulic excavators

### Types of coal products

High-quality low-vol HCC and SCC met coals, PCI coal and thermal coal

### Key customers/markets

Met coal exported to international steel mills throughout Asia, Europe and South America. Thermal coal for use by Australian domestic power station (Stanwell)

### Expansion projects

Stanwell Reserve Area, MDL 162

## 2. Buchanan

### Location

Near town of Oakwood in Buchanan County, Virginia within the CAPP geological province. Covers approximately 357 km<sup>2</sup>

**Year opened** ..... 1983

**Year acquired** ..... 2016

**Reserves** ..... 177 Mt

**Resources** ..... 251 Mt

**2018 Saleable production** ..... 4.7 Mt

### Number of active mines<sup>1</sup>

One underground mine with longwall mining system

### Types of coal products

Low-vol HCC met coal, premium low-vol PCI coal

### Key customers/markets

US domestic customers and export destinations, including China, Europe and South America



Home

1... ●

### 3. Logan

#### Location

Boone, Logan and Wyoming Counties in southern West Virginia, within the CAPP geological province. Covers a 104 km<sup>2</sup> area

**Year opened** ..... 2005

**Year acquired** ..... 2014

**Reserves** ..... 155 Mt

**Resources** ..... 220 Mt

**2018 Saleable production** ..... 2.7 Mt

#### Number of active mines<sup>1</sup>

Four underground mines (Lower War Eagle, Powellton, Elklick Chilton, Eagle 1) and two surface mines (Toney Fork, Elklick Surface)

#### Types of coal products

High quality low-vol HCC and SCC met coals, PCI coal and thermal coal

#### Key customers/markets

US domestic steel makers and export destinations, including Europe, South America and India

#### Expansion projects

Acquisition of 3.2 Mt mineable Reserves adjacent to existing Logan operations

### 4. Greenbrier

#### Location

Greenbrier and Nicholas Counties of West Virginia, within the CAPP geological province, Covers approximately 176 km<sup>2</sup>

**Year opened** ..... 2008

**Year acquired** ..... 2013

**Reserves** ..... 60 Mt

**Resources** ..... 90 Mt

**2018 Saleable production** ..... 0.7 Mt

#### Number of active mines<sup>1</sup>

One underground mine (Mountaineer 1) and one surface mine (Midland Surface)

#### Types of coal products

Premium quality mid-vol met coal; PCI coal, thermal coal (including activated carbon specialty markets)

#### Key customers/markets

US domestic steel makers and export destinations, including Europe, Asia and South America

<sup>1</sup> Number of active mines is as at 31 March 2019

# Safety and Health

At Coronado, we recognise that our employees and contractors are our most important and valued asset. Safety is our number one priority and the health and wellbeing of our employees should never be compromised.

## Why this matters to us?

A culture of safety is embedded across our operations. We safeguard our employees by providing them with appropriate training in best practice procedures, robust monitoring systems and safe working environments. We understand that the commitment to safety and health must involve all employees, contractors and suppliers for our business to be successful and sustainable.

## How we manage safety and health

Coronado manages safety and health by delivering behaviour-based programs, identifying and monitoring risks, and implementing practices and procedures that address these risks and comply with the legal and regulatory frameworks in both the US and Australia. Our programs are intended to reinforce our position that safety and health should be front of mind for all employees at all times. These programs are assessed on a regular basis to ensure they continue to be fit for purpose.

Safety is a key performance indicator included in Coronado's remuneration structure.

Safety performance targets are set each year and the awarding of short-term pay incentives to senior management is aligned with achieving those targets.

Safety performance is monitored through physical observations from both internal and external parties and through the reporting of key metrics. Safety performance is assessed monthly against internal goals, and on a quarterly basis, is benchmarked against our peers within the mining industry.

In Australia, our Curragh operation sets targets for safety interactions. This is a process whereby employees observe a risk behaviour and provide immediate positive feedback if the task is performed safely, or constructive feedback if it is potentially unsafe. This is monitored by management daily through safety meetings, site visits, employee discussions, and management observations. The process drives continual improvement in safety culture by allowing greater innovation and employee input. In FY18 there were more than 55,000 safety interactions at Curragh, which delivered a number of safety improvements.

Health and wellness programs undertaken at Curragh include monthly health and wellness toolbox talks, skin cancer checks, vaccination programs, medical health assessments and access to employee assistance programs.

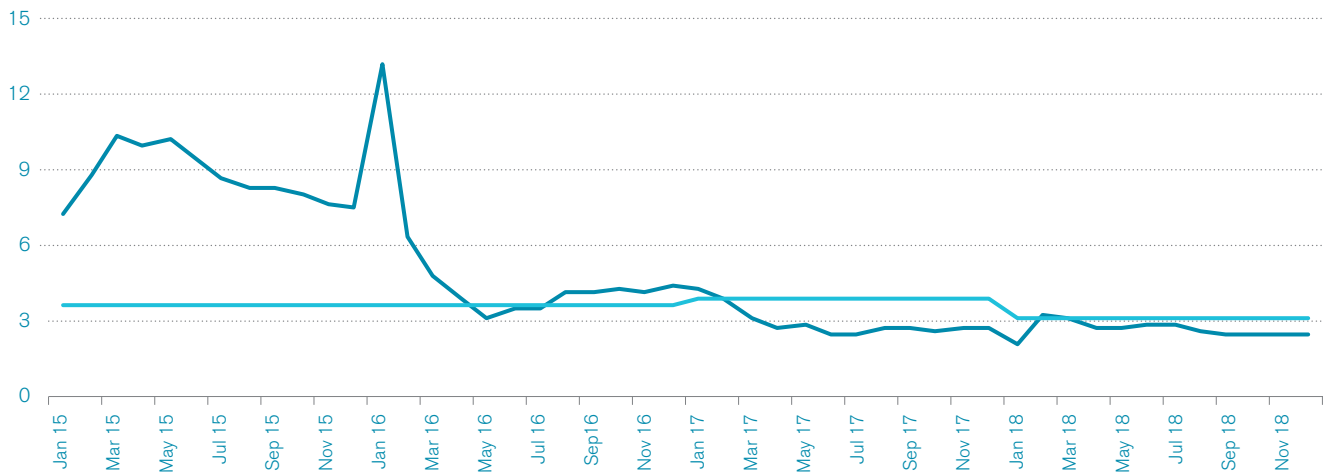
Below Coal Handling Preparation Plant, Curragh Mine





Above 2018 Mountaineers Guardian Award, Logan County

**US Safety Performance – Total Recordable Incident Rate (TRIR)**

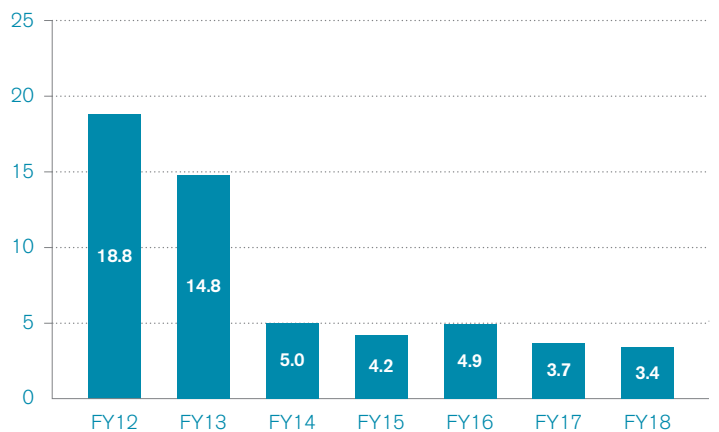


YTD TRIR Mine Safety and Health Administration (MSHA) TRIR

In the US, monthly Safety Development Group (SDG) meetings are conducted to review safety observations, ideas and trends, and to develop plans and processes to address the safety performance of each division. In addition, there is an annual safety summit whereby the divisions come together to discuss, share and consider best practice processes and procedures.

The robust training programs and strategic initiatives also address coal workers' pneumoconiosis (CWP), silicosis, hearing loss and other occupational illnesses. Sampling and health checks are conducted with our workers, in line with the relevant health and safety legislative requirements.

**Curragh Safety Performance – Total Recordable Injury Frequency Rate (TRIFR)**



## Case Studies

### Lower War Eagle Mine safety performance

In 2017, our Lower War Eagle Mine at Greenbrier in the US recorded the highest TRIR for any of Coronado's operations. Management and employees worked together to address new and rapidly changing conditions in the roof and walls of the mine throughout 2018. This included the design and implementation of a new ground support system, purchase of new equipment, development of installation and operating procedures and related training initiatives. By promptly addressing the conditions of the mine, safety performance improved significantly and by the end of 2018 the mine had worked 441 days without a lost time incident.

### Managing risks associated with coal mining dust exposure Australia

In 2017, the reoccurrence of coal mine worker pneumoconiosis (commonly known as Black Lung) in the Queensland coal mining industry led industry to reconsider its worker health assessment programs and operational practices related to dust generation. Curragh management and employees worked together to address the causes of dust generation and worker exposure. This included employing a full-time occupational hygienist and developing and delivering training sessions to all workers detailing the properties and health implications of long-term exposure to respirable dust.

A baseline occupational hygiene assessment for respirable and inhalable dust exposure commenced with 595 individual samples collected and analysed. Four dust committees were formed involving both management and workers to review operational practices covering the areas of fixed plant generated dust, cabin dust, cleaning activities and road generated dust. Many initiatives from these committees have either been implemented or are in trial phase. These include dust suppression systems on fixed plant, replacement of vacuum filters with HEPA filters, increased frequency of pressure testing of cabins and dust suppression media on dirt roadways. As a result of these activities, there were no reported incidences of worker exposure to respirable or inhalable dust outside of the safe exposure limit in 2018.

### US

Coal workers' pneumoconiosis is mitigated through a combination of engineering and administrative controls, and aggressive education on sources of dust exposure and the effects on the body. People in occupations with the greatest potential for exposure to respirable coal mine dust are required to wear a continuous personal dust monitor, which provides employees with exposure concentrations in real time. Sampling occurs for an entire shift, providing important information about conditions experienced during travel to and from a working section.

As required by US federal regulation, Coronado participates in the medical monitoring program administered by the National Institute for Occupational Safety and Health (NIOSH).

The Black Lung "Orphan" Fund is a federal program that subsidises care and compensation for miners who worked for companies that are no longer solvent. It is funded through excise taxes per ton. Coronado paid \$2.83 million in Black Lung Excise Tax for 2018.

### Our performance

2018 was the safest year on record for Coronado. Our safety measures outperformed Australian and US industry averages.

Our US operations had the lowest Total Reportable Injury Rate (TRIR<sup>1</sup> 2.31) in the history of the company. The Logan operations received the prestigious Mountaineer Guardian award for all their mines, and the Greenbrier operations received the Mountaineer Preparation Plant award. Mountaineer Guardian awards are determined by nominations from inspectors and a comparison of exposure hours and incident rates with other mines.

US safety training initiatives for 2018 included:

- supervisor training, including leadership, regulatory and policy compliance and incident investigation
- all-employee training on ventilation controls used to reduce methane and respirable dust exposure
- supervisor safety projects involving risk identification and improvement plans in conjunction with superintendents and mine managers.

### “ 2018 was the safest year on record for Coronado ”

In Australia, our Curragh operations achieved the lowest Total Recordable Injury Frequency Rate in the operation's 35-year history (TRIFR<sup>2</sup> 3.41).

Curragh safety initiatives undertaken in 2018 included:

- reviewing and simplifying safety and health management systems
- engaging with the University of Queensland Minerals Industry Safety and Health Centre unit to review principal hazards and controls for material safety events
- increasing focus on peer-to-peer safety conversations
- mine management team participation at all on-site induction presentations, including presenting on culture and personal safety.

1 TRIR – Total Recordable Incident Rate: Reportable incidents multiplied by 200 thousand divided by total hours worked.

2 TRIFR – Total Recordable Injury Frequency Rate: Reportable injuries multiplied by 1 million divided by hours worked.



# People

We recognise that our ability to attract and retain skilled, motivated and engaged employees is fundamental to our success and the sustainability of our business.



**Above** Environmental assessment at Curragh

## Why this matters to us?

The location of our operations, the Bowen Basin in Australia and the Central Appalachian regions in the US, presents a number of challenges and opportunities in their competitive labour markets. To ensure we have a high-performing workforce and a talent pipeline that provides for leadership succession, it is essential that our culture is one where people are valued and respected and are provided opportunities to develop. We have identified two key people focus areas, 'workforce composition and diversity' and 'attracting and retaining the right people'.

## Workforce composition and diversity (gender, age)

### How we manage this

We are committed to growing our capability, instilling a culture of excellence, and providing our people with opportunities to excel within the workplace. To achieve this, we are focused on attracting people who have diverse backgrounds and providing an inclusive culture in which people value unique viewpoints.

In 2018 deliberate effort was made to hire more female trainees and to increase the number of female employees hired and promoted. As part of this effort, training initiatives were undertaken that challenged hiring managers' unconscious bias and preconceptions.

To address our aging workforce, we increased our focus on graduate recruitment, traineeships and intern programs. We also delivered internal leadership development and succession programs that are intended to assist with succession planning and the transfer of skills and knowledge across the Group.

Our performance

In 2018, Coronado employed:

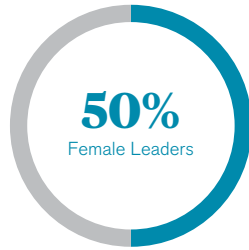
**1,732**

People directly, and had

**1,293**

contractors working across all of its sites

Coronado's executive leadership team comprising:



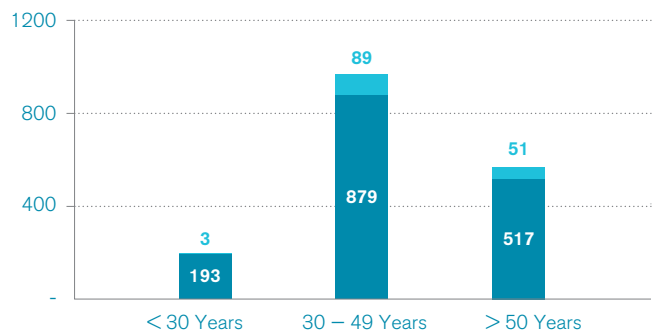
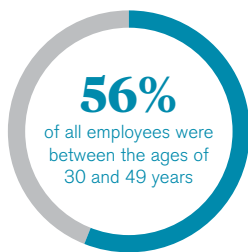
As at 31 December 2018, over:



In Australia, female employees made up:



The age distribution of our workforce is shown in the charts and table below:



Location	All Employees			Total	Managers			Total
	< 30 years	30 – 49 years	> 50 years		< 30 years	30 – 49 years	> 50 years	
Total Group	196*	968*	568*	1732*	3*	89*	54*	146*

Employees Managers

1 Top five layers of 'First / Mid Officials and Managers (as classified by the US Equal Employment Opportunity Classification levels 1.1-1 – 1.2-5)  
2 HAY job evaluation points of 450 and above).

Below Shift change at Greenbrier





Above Curragh employee

## Case Studies

### Veterans' employment traineeship program

Curragh's veterans' employment traineeship program seeks to address the significant and ongoing issue of under-employment for those choosing to transition from a career in the defence services.

Curragh's first intake of veterans commenced one year ago, with five people selected to undertake a traineeship in Curragh's Coal Handling and Preparation Plant. This traineeship delivers a Certificate III in Resource Processing and Surface Extraction qualification.

The initiative is a tailored program for former defence force personnel looking to transition into a new career. It is completed over four years including a two year intensive traineeship and two years of ongoing employment.

Three male and two female trainees transitioned well into a mining culture that has a strong focus on safety and operating disciplines. The opportunity has provided the trainees with better family life balance, new skills and a career in a new industry. The program has also benefited the business by enhancing the overall culture and diversity of thinking within the Curragh team.

### Compass leadership training

Approximately 100 managers and frontline supervisors participated in Coronado's employee Compass training initiative in the US in 2018. Each session was held over three days and included 20 participants.

The goal of the training was to enhance performance by giving leaders a greater understanding of their responsibilities. It aimed to build confidence, ensure alignment of company values and goals and provide managers with tools to drive greater efficiencies within their teams.

Topics covered included employee relations, building respectful and productive teams, having difficult conversations to improve behaviour and performance, and leading by example to build engagement.

This training will continue in 2019. Once all managers and frontline supervisors have completed the training, a second stage will be initiated that includes new employee development topics.

“ In 2018, investment in externally run training and development programs for our people, totalled in excess of US\$1,000,000. ”

### Attracting and retaining a highly skilled workforce

Attracting, engaging and developing skilled and talented people is critical to sustaining a high-performing business.

To achieve this, we commit to the following initiatives:

- comprehensive training, performance and leadership development programs that allow our employees to fulfil their potential
- a competitive and flexible remuneration structure
- a suite of meaningful reward and recognition options.

In 2018, we reviewed the US benefits program and improved the value proposition to US-based employees. In Australia we focused on promoting flexible working arrangements. These initiatives increased our candidate pool and helped to retain talented employees. Across our business, there has been a concerted effort to develop our people leadership skills and assist managers to improve team engagement and motivation.

### Our performance

Across Coronado's operations, more than three quarters of the entire workforce is classified as highly skilled, with more than 55% of roles typically requiring either a degree level or equivalent qualification or a formal trade certification.

Our training and development philosophy is based on the 70/20/10 model, whereby 70% of a person's learning at work is internal and experience-based, 20% comes from interacting with fellow employees and 10% the result of formal, externally run training programs. To facilitate this, we have dedicated training personnel and internally managed mentoring and peer group working teams. We also promote opportunities for secondments, cross-function transfers and project-based working groups where possible. In 2018, investment in externally run training and development programs for our people totalled in excess of US\$1,000,000.

In 2018, our total rolling turnover rate was 23.1% in Australia and 13.7% in the US, and our rolling voluntary turnover rate was 14.9% and 11.9% respectively. McDonald benchmark data for the coal industry indicates an average total rolling turnover of 21.5% and voluntary turnover of 13.2% as at December 2018.

# Community

We believe that engaging and working with key stakeholders in the communities in which we operate is a critical factor in the long term sustainability of our business.

### Why this matters to us

Not only do we aim to be a safe, reliable, environmentally conscious employer of choice, we also seek to give back to the community in meaningful ways. We do this by providing support to local charities and environmental projects and sponsoring and conducting educational programs.

Our employees and managers are encouraged to regularly participate in local activities and events to ensure our focus on giving back extends throughout the organisation. We have identified two key community-focused areas, 'stakeholder engagement' and 'community contribution'.

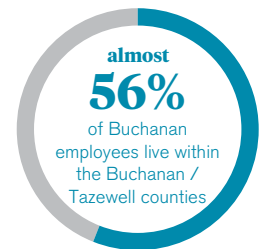
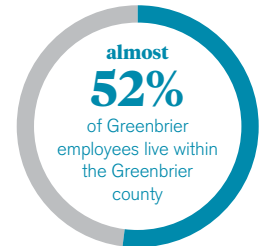
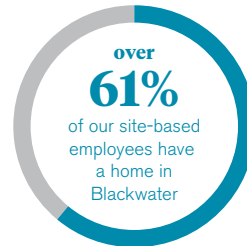
### Stakeholder engagement – building and maintaining a social licence to operate

#### How we manage this

Coronado is committed to building strong and meaningful relationships with our stakeholders. These include contractors and local service providers as well as neighbours and the people in the community who may become our employees.

To meet our commitment to conduct our business in an open and transparent manner, we engage regularly with contractors and suppliers to ensure that our goals, values and objectives are aligned.

### Employees in our local community



Above Blackwater PCYC members accept a new inflatable obstacle course donated by Coronado



## Home

### Our performance

Coronado makes considerable effort to procure goods and services from within the community in which our mines are located and where many of our workforce live.

Over 80% percent of goods and services for our Curragh operations come from within Queensland. We have worked hard to develop meaningful relationships with these suppliers and well over half have been with us for more than 10 years.

In the US, more than 75% of our suppliers are located within a 100 mile radius of our operations. Our supplier base has been largely consistent since the inception of Coronado.

### Community contribution

#### How we manage this

Coronado has a long history of community engagement and is committed to supporting local communities and the long-term sustainability of the towns close to where we operate.

By investing in community initiatives, we can have a positive and impactful influence on the lives of both our neighbours and our employees.

### Our performance

In 2018, our leaders in Australia and the US have met with neighbouring landowners, regularly attended local school events and worked in partnership with community-based services, such as hospitals and youth centres. This engagement ensures we understand the impact our operations may have on the community and allows us to manage them more effectively.

Coronado supported a variety of community initiatives through donations and sponsorships, encouraging employees to participate in events and providing services and equipment to various causes.

In the US, the expansion of our Buffalo Energy, Eagle #1 operation in August 2018 required the purchase of several residential properties. Our priority was to ensure that affected families were relocated within the local community with an improved quality of life. We achieved this by working closely with all residents and engaging in extensive community and broader stakeholder consultation.

Coronado owns over 350 properties in Blackwater, the town closest to Curragh. 214 are occupied by our employees, and the majority of the remaining properties are leased to our contracting partners or to groups within the community, including hospitals and the police force.



Above Coronado donating tractor to volunteers at Blackwater Golf Club

## Case Studies

### Partnership with Blackwater State and Blackwater High Schools

Coronado actively supports science, technology, engineering and mathematics (STEM) education initiatives in local schools providing students with this contemporary learning program. In August 2018, Curragh provided over 35 hours of support to STEM initiatives, sponsored a STEM bursary for a top female performer in STEM subjects, and provided a grant to the three Blackwater schools to purchase equipment and materials to develop STEM facilities.

Partnering with the Queensland Minerals and Energy Academy, Curragh supported the delivery of the Energy for the Future Workshop in Curragh's neighbouring Blackwater community and provided professional facilitators to challenge student thinking and decision making processes.

Coronado employees supported the Blackwater State High School Science Night and also attended Careers Day where they shared their personal career paths with students.

### 2017 National Scout Jamboree

During the 2017 National Scout Jamboree, held near our US Beckley headquarters, Coronado teamed with leaders in the US mining and extraction industry, to educate participants on the key fundamentals of mining in society.

Sixteen team members of Coronado volunteered over a 10-day period to discuss sustainability, recyclable metals, mineral identification, the importance of safe work practices and the multitude of careers in the mining industry. 5,288 scouts aged between 14 and 21 participated in the Jamboree and those that completed the training received a Mining Merit Badge. Coronado will participate in the 2019 World Scout Jamboree at Summit Bechtel in July 2019 with a group of approximately 35,000 scouts from across the world.

# Environment

In meeting demand for metallurgical coal, we are conscious of driving efficiencies in our operations and reducing our environmental impact.

### Why this matters to us

We take our environmental obligations very seriously and see good environmental management as a way to improve our business performance and ensure long-term value for our stakeholders.



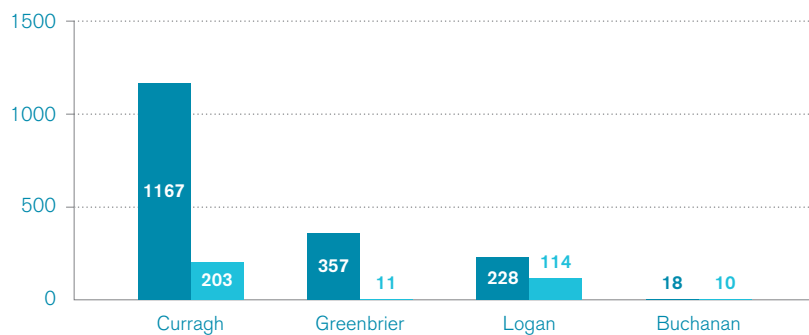
Above Black bear in local environment

## Rehabilitation

### Metrics

	Total area of disturbed land (ha)	Total area of rehabilitated land (ha)	Area of disturbed land rehabilitated in 2018 (ha)
<b>Curragh</b>	7226	1370	203
<b>Greenbrier</b>	517	368	11
<b>Logan</b>	345	402	114
<b>Buchanan</b>	319	28	10
<b>Total</b>	<b>8407</b>	<b>2168</b>	<b>338</b>

### Rehabilitation



Area of disturbed land rehabilitated in 2018 (ha) Total area of rehabilitated land (ha)

Coronado is committed to the protection and rehabilitation of land in the areas that we operate by implementing best practice environmental management policies and processes. The Rehabilitation Management and Monitoring Program at Curragh identifies rehabilitation objectives, criteria and final land use.

In the US, our mining plans are developed to enhance the reclamation of mines through re-vegetation with native grasses, and planting various species of thousands of hardwood trees. Through establishing forest habitat, the reclaimed mine areas are transformed into renewable forest environments. We regularly assess different methods to increase survival rates and growth rates of the planted trees.

In 2019, Curragh will implement a pilot rehabilitation certification project and commence work on a Progressive Rehabilitation and Closure Plan. The US operations will continue to evaluate the potential to utilise existing unreclaimed mine benches for future expansion to deliver reclamation activities at no cost to the public.



**Above** Blackwater Creek diversion, Curragh Mine

In 2018, the team at Greenbrier Smokeless Coal Mining's Pollock Knob Surface Mine received a Surface Mine Reclamation Award and were commended by the West Virginia Coal Association and Department of Environmental Protection for their exceptional efforts towards protecting the environment of West Virginia.

Curragh's continuous and robust rehabilitation monitoring program was established in 2002. The aim of the program is to obtain accurate information on the performance and development of rehabilitated landforms over time, and in the process, build a case for mine closure and lease relinquishment. At some of the established sites, the trajectory of native tree richness is approaching reference community values, as are soil salinity and exchangeable sodium percentages for topsoil and spoil media reference values.

A three-year research project recently completed by the University of Queensland measured the rehabilitation responses to fire and the implications on long-term resilience and mine closure. In May 2015, the Curragh Mine conducted one of the first large-scale fuel reduction burns to mine site rehabilitation in Queensland. The 2018 report on the site demonstrated that the 120 ha rehabilitated area is recovering, with all metrics trending towards pre-fire levels within two years.

Curragh completed a 10.2 km diversion of Blackwater Creek in 2010 to allow for mine progression. As part of the diversion, rehabilitation was completed, including revegetation that utilised a mix of tube stock and direct seeding. The aim of the rehabilitation was to create a self-sustaining, safe and stable ecological corridor that required minimal management. To assess the success of the rehabilitation, biennial surveys are conducted by external ecology specialists.

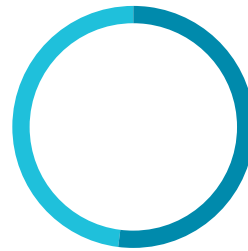
In 2018, monitoring was undertaken to compare the fauna in the Blackwater Creek area to the initial baseline survey. This was the third survey to be completed since the baseline was established. While the creek diversion is still in the early stages of rehabilitation, the survey identified that support vegetation is considered to be relatively low-value fauna habitat. Future rehabilitation efforts will consist of revegetating small areas along the length of the diversion to help facilitate the development of a higher value fauna habitat.

Water use

Our Performance<sup>1</sup>

	Surface water (ML)	Ground water (ML)	Discharged – to surface water or injected in wells (ML)	Recycled and reclaimed (ML)
<b>Curragh</b>	2,423 <sup>1</sup>	3,424	0	6,672
<b>Greenbrier</b>	0	324	421	0
<b>Logan</b>	1,454	27	1,514	324
<b>Buchanan</b>	160	338	4,231	546
<b>Total</b>	<b>4,037</b>	<b>4,113</b>	<b>6,166</b>	<b>7,542</b>

Water Consumed



Recycled / Reclaimed 48%

Fresh Water 52%

Water is a valuable global resource that requires careful management to ensure its continued availability and sustainability. Our operations are located in areas where water availability is a cornerstone of local industry. Water is a key input in the operation of the coal handling preparation plant (CHPP) that washes impurities (soil and rock) from the coal.

We are focused on minimising the impact on local water sources through:

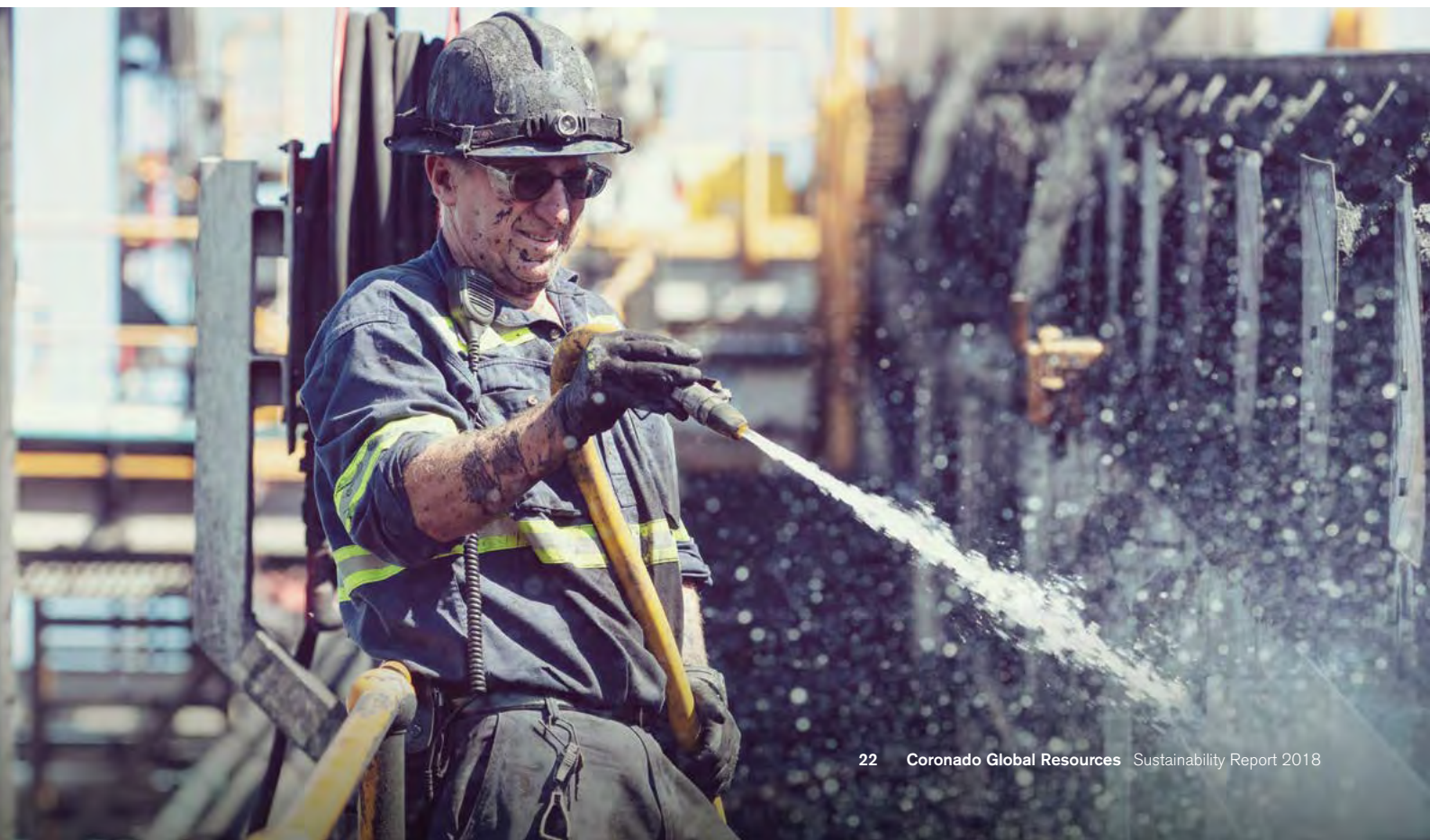
1. monitoring and maximising reclaimed water usage,
2. improving the amount of recycled water consumed
3. appropriately managing water risks.

The way we use water at each of our locations is influenced by local conditions. Coronado implements applicable water management plans to improve water security and increase the use of reclaimed water to limit our footprint.

The table and chart above provide an overview of Coronado's water inputs, outputs and recycling. In 2018, 48% of all water used was reclaimed or recycled water, while 52% was fresh water.

<sup>1</sup> Curragh ground water data – FY18 Associated Water Take Report submitted to Department of Natural Resources, Mines and Energy, Queensland, Australia. Data is based on modelling and estimations. A significant percentage of ground water is included in the reclaimed water.

Below Curragh mine worker at Coal Handling Preparation Plant

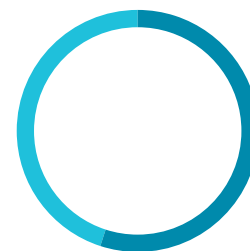


Waste management

Metrics

	Waste to landfill (t)	Recycled (t)
<b>Curragh</b>	3255*	6262*
<b>Greenbrier</b>	217*	179*
<b>Logan</b>	664*	692*
<b>Buchanan</b>	2522*	875*
<b>Total</b>	<b>6658*</b>	<b>8008*</b>

Waste Management



**Recycled 55%**  
**Waste to Landfill 45%**

Non-mineral waste generated by Coronado includes general waste and regulated or hazardous waste, which includes: oils and greases, tyres, scrap metal, paper, cardboard, glass, plastic, timber and electrical waste. These waste streams are reviewed on a regular basis to identify opportunities to minimise waste to landfill and increase recycling. In 2018, 55% of all non-mineral waste was recycled.

Other emissions

Coronado complies with regulatory limits and reporting requirements for all of its operations, and monitors dust and other air pollutants. Curragh reports on the emissions to air of 30 substances under the National Pollutant Inventory. The latest report is available at <http://www.npi.gov.au/npi-data/latest-data>. The US Operations report on particulate matter and hazardous emissions under the Clean Air Act. Air quality statistics for the Greenbrier county are available at <https://www.epa.gov/air-trends/air-quality-cities-and-counties>

Tailings management

The management of tailings has always been a key focus for Coronado. Our processes are continuously reviewed to ensure the appropriate risk management measures are in place. Our management program focuses on the safe operations, routine maintenance and monitoring of the Tailings Storage Facilities (TSF).

In total there are nine TSF of which four are operational. The Australian Operations have two operational in-pit facilities and one closed downstream facility. The in-pit facilities are mined out pit voids that were converted to a TSF and de-watering of pit is ongoing. A downstream tailing facility is founded on coarse tailings and is built using a construction method where tailings are deposited behind an embankment that is raised over time. There is no permanent water ponding on the downstream facility.

In the US, each of our three mine sites have one operational and one closed TSF. All the US TSFs are upstream storage facilities. An upstream storage facility is built using a construction method where new sections of the tailings dam are progressively built on top of existing tailings.

During 2018, there were no environmental incidents associated with spillage from or failures of our TSFs. We have a risk-based inspection program that involves both internal and external inspections of the integrity of TSFs on a regular basis.

# Climate Change

We recognise that the production and consumption of metallurgical and thermal coal produces greenhouse gas emissions. We are committed to working with industry participants to support the development and introduction of new technologies that help reduce carbon emissions while continuing to meet global steel and energy demands.

Coronado is responding to climate change by identifying and managing climate-related risks, monitoring and managing emissions from our operations and supporting the research and development of low emissions technologies.

## The role of steel in transitioning to a low carbon economy

Steel is the most commonly used metal in the world and is fundamental to driving economic growth. Almost everything that is consumed is either made from, or manufactured by equipment made from steel. The chemistry of steel production makes it a carbon-intensive industry; however, steel plays a significant role in the transition to a low-carbon economy.

Steel supports the development and commercialisation of renewable energy. Wind power currently accounts for approximately 24% of the world's installed capacity of renewable energy<sup>1</sup>. An average wind turbine consists of 80% steel (140 tonnes), which is used to construct the tower, nacelle and rotor<sup>1</sup>. Steel input is not limited to the construction of a wind turbine. Throughout a turbine's life cycle the maintenance of the nacelle and rotor will require steel.

Our customers are cognisant of the global shift to a low-carbon environment. Given steel will be required for the development of economic and sustainable power in the future, steelmakers are continually assessing the viability of carbon capture and usage (CCU) technology. This technology aims to capture and convert the waste product, carbon monoxide, into biofuels as part of the steelmaking process.

Steel is the most recycled material in the world and recycling accounts for significant energy and raw material savings. Recycling one tonne of steel scrap, versus producing that steel from iron ore, saves 1.5 tonnes of CO<sub>2</sub>, 1.4 tonnes of iron ore, 740 kilograms of coal, and 120 kilograms of limestone. In practice, steelmakers are increasing the amount of scrap steel (industry average is currently 125 kilograms per tonne of crude steel) used in the blast furnace production of steel<sup>1</sup>.

The continued production and recycling of steel is key to achieving a low-carbon environment. Initiatives across the supply chain will contribute to this global shift and Coronado has a key role to play in achieving this goal.

## Greenhouse gas emissions

Coronado acknowledges that its operating activities create greenhouse gas (GHG) emissions and is committed to minimising the intensity of its GHG emissions, maximising process efficiency and reducing fuel usage.

Curragh implemented a number of initiatives in 2018 to reduce GHG emissions. It identified haulage improvements that decreased the equivalent haul for waste and coal, and lights in the CHPP and workshops were replaced with LED lighting.

Our Scope 1 and 2 emissions in 2018<sup>2</sup> totalled 1 million tonnes of carbon dioxide equivalent (CO<sub>2</sub>e). Coronado intends to implement an emissions monitoring plan at Curragh to consistently measure the most material GHG emissions and identify any trends. This will assist with our response to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and allow us to closely monitor our Australian emissions against the applicable safeguard baseline levels provided in Australia.

Curragh produces high quality thermal coal for the Stanwell Power Station, which has the capacity to generate 1460 megawatts (MW), which is equivalent to the electricity required to powering 14.5 million light bulbs<sup>4</sup>. The Stanwell Power Station supplies electricity to the National Electricity Market (NEM).

### Low emissions technologies

As metallurgical coal remains a vital component in the steel making process, the research, development and deployment of CO<sub>2</sub> breakthrough technology will ultimately lead to a reduction in GHG emissions from steel manufacture. Some of the new technologies currently being developed globally include:

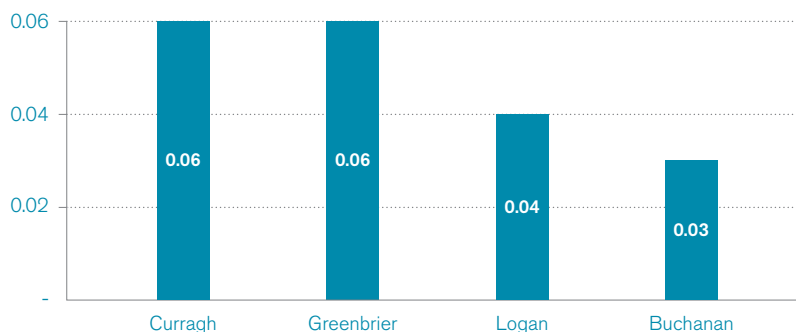
- alternative reductants, such as natural gas, biomass gas, hydrogen, direct electrolysis
- Carbon Capture and Storage (CCS) and Carbon Capture and Utilisation (CCU)
- Waste Heat Energy Recovery (WHER) technologies<sup>5</sup>.

While these technologies are being developed, transforming them into real world applications continues to be challenging. The sustainability and cost competitiveness of these technologies remain barriers for deployment, and further extensive research is required to achieve greater economies of scale.

At Coronado we support research into new technologies and contribute to the Australian Coal Industry's Research Program (ACARP) through a 5 cent per tonne levy on all coal we produce in Australia. The Program covers all aspects of coal production and utilisation, including research on mine site GHG mitigation.

We also participate in the Australian Coal Association's COAL21 Program, which supports low emissions technologies, such as CCS, that aim to enhance the environmental performance of coal, reduce fugitive emissions associated with coal mining and support cost-effective, reliable and cleaner energy. To find out more visit <https://coal21.com/>

### GHG emissions intensity<sup>3</sup> (tCO<sub>2</sub>e/t coal)



The greenhouse gas emissions data for Curragh is NGERs data for the fiscal year 1/07/17 to 30/06/18 as reported by the Clean Energy Regulator Australia. The US operations data is for the period 1/01/18 to 31/12/18.

### Our performance metrics

	Scope 1 (tCO <sub>2</sub> e)	Scope 2 (tCO <sub>2</sub> e)	Energy produced - met coal (GJ)	Energy produced - thermal coal (GJ)	GHG emissions intensity (tCO <sub>2</sub> e/t coal) <sup>3</sup>
<b>Curragh</b>	580,744*	203,611*	254,413,080*	96,917,256*	0.06
<b>Greenbrier</b>	29,271 <sup>2*</sup>	12,998*	637,845	16,743	0.06
<b>Logan</b>	46,347 <sup>2*</sup>	55,347*	1,841,718	773,862	0.04
<b>Buchanan</b>	5,802 <sup>2*</sup>	136,434*	4,706,875	0	0.03

1 World Steel Association: <https://www.worldsteel.org/about-steel/steel-facts.html>

2 US Operations – Scope 1 includes diesel usage, but excludes fugitive emissions, oils and grease, and emissions from industrial processes; and Scope 2 includes electricity usage

3 GHG emissions intensity = Total Scope 1 and 2 emissions divided by total fiscal year coal production in metric tonnes

4 Stanwell Power Station fact sheet; <https://yhejtl3sl24wn203q4vn14z-wpengine.netdna-ssl.com/wp-content/uploads/FactSheet-Stanwell-MAY-2018.pdf>

5 <https://www.worldsteel.org/publications/position-papers/steel-s-contribution-to-a-low-carbon-future.html>;

Quader, M & Ahmed, Shamsuddin & Raja Ghazilla, Raja Ariffin & Ahmed, Shameem & Dahari, Mahidzal. (2015). A comprehensive review on energy efficient CO<sub>2</sub> breakthrough technologies for sustainable green iron and steel manufacturing. Renewable and Sustainable Energy Reviews.; and Ranzani Da Costa, Andrea & Wagner, D & Patisson, Fabrice. (2013). Modeling a new, low CO<sub>2</sub> emissions, hydrogen steelmaking process. Journal of Cleaner Production. 13. 27–35.



# Financial Performance

Coronado's FY18 financial performance provides a foundation for sustained economic growth. In 2018, the strategic acquisitions of Curragh and the SRA<sup>1</sup> contributed to total group economic coal reserves of more than 700 million tonnes. This provides Coronado with an expected Group life of mine well beyond 2040.

## Key statistics (proforma basis FY18)

Acquisition of Curragh for  
**\$537.2m**

Marketable Reserves  
**711 Mt**

Production Volume  
**20.2 Mt**

Resources  
**2,524 Mt**

Sales Volume  
**20.1 Mt**

Met Coal Production  
**78.7%**  
of total production

EBITDA of  
**\$595.3m**

Coronado ended 2018 with cash balance that was surplus to operational requirements and no drawn debt. The strength of the balance sheet provided the opportunity to declare total dividends to shareholders of \$0.31 per CDI.

With solid financial foundations and a continued focus on costs and efficiencies, Coronado is well placed to deliver on growth opportunities. Our efforts to further optimise our assets and successfully manage the business through economic and commodity cycles will benefit all stakeholders, including shareholders, employees and the communities in which we operate.

The 2018 financial performance highlights:

- Acquisition of Curragh increasing total production by 12.2 Mt, an increase of 152% year on year
- Listing on Australian Securities Exchange in October 2018, raising A\$774 million
- Acquisition of the Stanwell Reserve Area (SRA) increasing reserves at Curragh by 82 Mt
- Revenue of \$2.3 billion
- EBITDA of \$595.3 million
- Strong balance sheet with net cash position of \$124.9 million and no drawn debt
- Reinvesting \$114.3 million back into the business to fund stay-in-business capital requirements
- Declaring total dividend of US\$0.31 per CDI or US\$299.6m, paid 29 March 2019.

Total production



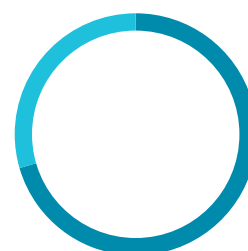
Australia	60%
US	40%

Total revenue



Australia	65% (\$1481.8m)
US	35% (\$814.9m)

Export %



Export	70.5%
Domestic	29.5%

Why generating economic value for our stakeholders matters

Coronado is a key supplier of metallurgical coal to the steel manufacturing industry and contributes significantly, both economically and socially, to the global community.

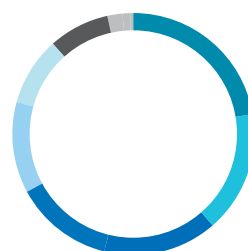
Metallurgical coal currently represents 78.7% of Coronado's total production. As part of Coronado's contribution to the steel supply chain, consideration is given to the quality and type of coal produced and exported. Coronado produces a range of metallurgical coals across its operations that have favourable coking characteristics that are beneficial to the manufacture of steel.

The demand for Coronado's coal provides economic benefits to geographic regions far outside the countries in which are mines are located. The availability of our significant economic coal reserves will see us contribute to global economies for many decades.

Coronado's global reach

Coronado's export sales are globally diversified providing benefit to multiple regions, including, Asia, Europe and the Americas.

Total Sales Value by Region



India	23%
Japan	16%
US	15%
Europe	13%
China	12%
South Korea	9%
Brazil	8%
Other	4%



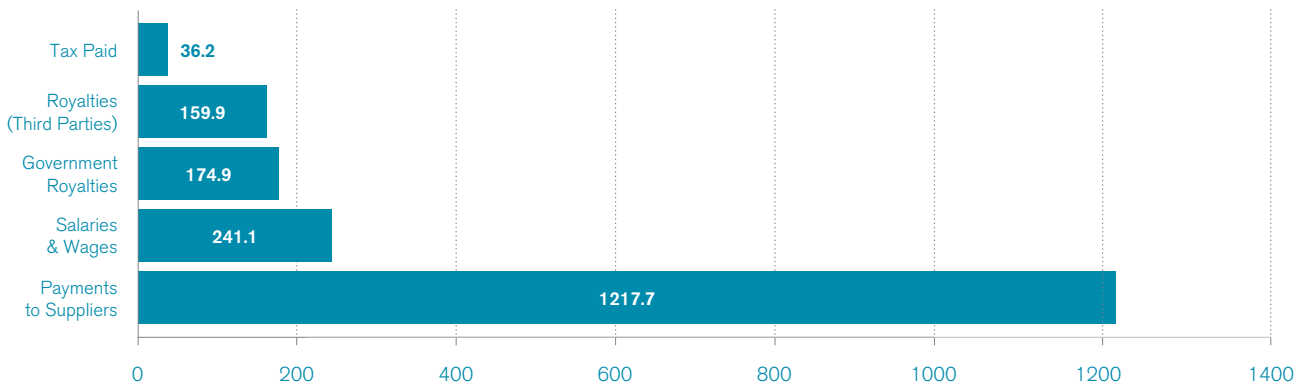
Above Coal mining activity at Curragh Mine

**Our performance: Coronado's total economic contribution<sup>1</sup>:**

Revenue

**\$1.980.5m**

Distributed \$2.1 billion into:  
Economic distribution before dividends \$1.8 Billion



Dividends paid March 2019

**\$299.6m**

<sup>1</sup> Amounts provided per financial statements except for tax and supplier amounts paid, which are provided on a cash basis. Australian Financial data since acquisition - 29 March 2018.

# Limited Assurance Report



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## Independent Assurance Report to the Management and Directors of Coronado Global Resources Inc. ('Coronado') in relation to its selected disclosures in its 2018 Sustainability Report

### Our Conclusion

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the selected sustainability disclosures for 2018 for the reporting periods stipulated in our Subject Matter have not been reported and presented fairly, in all material respects, in accordance with the Criteria.

Ernst & Young ('EY') has undertaken a limited assurance engagement in relation to selected non-financial disclosures prepared by Coronado in its 2018 Sustainability Report ('the Report') for the calendar ended 31 December 2018, in order to state whether anything has come to our attention that causes us to believe that the Subject Matter, as described below, has not been presented fairly, in all material respects, in accordance with the Criteria below.

### Subject Matter

- Selected material non-financial performance information for Australia and North America ('Selected Performance Information') for the calendar year ended 31 December 2018, limited to those listed in Tables 1 and 2 below. Scope 1 and 2 greenhouse gas (GHG) emissions, and energy consumption and production disclosures related to Australia operations only are reported for the financial year ended 30 June 2018.

Table 1: Selected Australia Performance Data

Performance Data	
<b>Environment</b>	<ol style="list-style-type: none"> <li>Scope 1 greenhouse gas (GHG) emissions, being 580,744 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>-e)</li> <li>Scope 2 GHG emissions, being 203,611 tCO<sub>2</sub>-e</li> <li>Total energy production, being 351,330,336 GJ</li> <li>Total waste to landfill, being 3,255 metric tonnes</li> <li>Total waste recycled, being 6,262 metric tonnes</li> <li>Total municipal water consumption, being 2,423 megalitres</li> </ol>
<b>Safety</b>	<ol style="list-style-type: none"> <li>Total Recordable Injury Frequency Rate (TRIFR), being 3.4</li> <li>Lost Time Injury Frequency Rate (LTIFR), being 2.0</li> </ol>
<b>People</b>	<ol style="list-style-type: none"> <li>Female managers (% of headcount), being 29% of total managers</li> <li>Age diversity for all employees (% of total by age bracket), being 9% &lt;30 years; 54% 30-49 years; and 37% &gt;50 years</li> <li>Age diversity for all managers (% of total by age bracket), being 4% &lt;30 years; 75% 30-49 years; and 21% &gt;50 years</li> <li>Total staff turnover (%) being 23%</li> <li>Voluntary staff turnover (%) being 15%</li> </ol>

Table 2: Selected North America Performance Data

Performance Data	
<b>Environment</b>	<ol style="list-style-type: none"> <li>Selected scope 1 GHG emissions, inclusive of diesel stationary and diesel transport being 81,420 tCO<sub>2</sub>-e</li> <li>Scope 2 GHG emissions, being 204,779 tCO<sub>2</sub>-e</li> <li>Total general (non-coal) waste to landfill, being 3,403 metric tonnes</li> </ol>
<b>Safety</b>	<ol style="list-style-type: none"> <li>Total Recordable Incident Rate (TRIR), being 2.3</li> </ol>
<b>People</b>	<ol style="list-style-type: none"> <li>Female managers (% of total headcount), being 10%</li> <li>Age diversity for all employees (% of total by age bracket), being 12% &lt;30 years; 57% 30-49 years; and 32% &gt;50 years</li> <li>Age diversity for all managers (% of total by age bracket), being 0% &lt;30 years; 45% 30-49 years; and 55% &gt;50 years</li> <li>Total staff turnover (%) being 14%</li> <li>Voluntary staff turnover (%) being 12%</li> </ol>

### Criteria applied by Coronado

The following criteria have been applied:

- Coronado's own reporting criteria (as established and set out in Coronado's internal policies and procedures)

### Management's Responsibility

Management of Coronado is responsible for the preparation and fair presentation of the Subject Matter in accordance with the Criteria, and is also responsible for the selection of methods used in the Criteria. No conclusion is expressed as to whether the selected methods are appropriate for the purpose described above. Further, Coronado's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records, and making estimates that are reasonable in the circumstances.

### Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our assurance engagement, conducted in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and *Assurance Engagements on Greenhouse Gas Statements* ('ASAE 3410'), as agreed with Coronado.

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In conducting our assurance engagement, we have met the requirements of the APES 110 Code of Ethics for Professional Accountants, including our independence. We have the required competencies and experience to conduct this assurance engagement.

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement.

#### Summary of review procedures performed

Our limited assurance procedures included the following:

- ▶ Conducting interviews with key personnel to understand the process for collecting, collating, and reporting the Subject Matter during the reporting period
- ▶ Checking that the data collection process and calculation criteria had been applied in accordance with the methodologies outlined in the Criteria
- ▶ Undertaking analytical review procedures to support the reasonableness of the data
- ▶ Checking the accuracy of calculations performed
- ▶ Obtaining and reviewing evidence to support key assumptions in calculations and other data or statements
- ▶ Identifying and testing assumptions supporting calculations
- ▶ Checking whether data and statements had been accurately transcribed from corporate systems and/or supporting evidence into the Report
- ▶ Determining whether material topics and performance issues identified during our procedures had been adequately disclosed

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

#### Use of our Assurance Engagement Report

We disclaim any assumption of responsibility for any reliance on this assurance report, or on the Subject Matter to which it relates, to any persons other than Management and the Directors of Coronado, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Dr Matthew Bell  
Partner  
11 April 2019

Ernst & Young  
Brisbane, Australia

# Glossary

Term	Description
Carbon dioxide equivalent (CO <sub>2</sub> -e)	A standard method for converting the global warming potential of all greenhouse gases to a standard unit related to the global warming potential of carbon dioxide
CHPP	Coal handling and preparation plant
Contractor	A contractor is a person or business that enters into a contract with another person or business for work. Contractors are not employees as they are not legally bound under an employment contract.
CPP	Coal preparation plant
EBITDA	Earnings before interest tax depreciation and amortisation
Employee	An employee is as a person who is employed directly by Coronado Global Resources, or one of it's legal entities
FOB	Free onboard in the vessel at the loading por
FOR	Free onboard Rail in the railcar at the mine
Freshwater	Freshwater refers to natural occurring surface and groundwater for use based on local, regional or national guidelines. This also includes imported freshwater namely municipal scheme or potable water.
Fugitive emissions	Generally deliberate but not fully controlled (or in all cases avoidable) emissions that typically result from leaks from pumps, pipes and valves, coal seam methane or vapours emitted when large hydrocarbon storage tanks are filled
Greenhouse gases	Gases such as carbon dioxide, methane, nitrous oxide, sulphur hexafluoride and complex manufactured refrigerant gases which contribute to the retention of heat in the earth's lower atmosphere  Scope 1: direct emissions of greenhouse gases from combustion of fuel, industrial processes, refrigerant gases and coal seam methane  Scope 2: emissions created by others generating electricity used by Coronado  Scope 3: indirect emissions (directly emitted by suppliers to, or customers of Coronado) from activities such as transportation and combustion of coal from our mines, waste disposal and air travel.
ha	Hectares, a metric unit of square measure, equalling 2.47 acres
HCC	Hard coking coal
Manager	The classification of 'manager' level roles in the US is as per the EEOC classifications, used in EEO-1 reporting. In Australia, HAY evaluation points are used to determine 'manager' roles and aligns with Workplace Gender Equality Agency reporting.
Materiality	Materiality is the threshold at which an issue or topic becomes sufficiently important that it should be reported. Beyond this threshold, not all material topics will be of equal importance and the emphasis should reflect the relative priority of these material topics and indicators.
Met coal or Metallurgical coal	Metallurgical coal is a grade of low-ash, low-sulfur and low-phosphorus coal that can be used to produce high grade coke. Coke is an essential fuel and reactant in the blast furnace process for primary steelmaking.
Mineral waste	Mineral waste includes waste rock and tailings:  Waste rock is composed of soils or rock (overburden) that must be removed to uncover or access coal during mining.  Tailings consist of fines (crushed rock and coal) mixed with process chemicals and water that remains after the saleable coal has been extracted.  Mineral waste is typically produced in very large volumes. Its handling and storage can directly impact the environment.
ML	Megalitres, a metric measure unit of volume equivalent to one million litres and to 264,172 US gallons
Mt	Million tonnes, metric
NGERS	National Greenhouse and Energy Reporting Act 2007 (NGER Act). This Act governs the public reporting of energy use and greenhouse emissions by large organisations in Australia
Non-mineral waste	Non-mineral waste is primarily composed of the auxiliary materials that support our mining and processing operations. This includes familiar materials such as used oil, tyres, used batteries, scrap metal and office waste, as well as more specialised waste streams. Non-mineral waste is produced in much smaller volumes than mineral waste, and is most commonly managed through recycling, off-site treatment and disposal, or placement in on-site engineered landfills.
PCI	Pulverised coal injection
Prospectus	The Coronado Global Resources Inc Prospectus lodged with ASIC on 24 September 2018
Realised Price	Weighted average revenue per tonne sold
Revenue	Revenue is the total amount of income generated by the sale of goods or services related to the company's primary operations.
ROM	Run of mine, coal mined
Saleable production	The quantity of coal produced during the period, measured at the point where no further processing is required prior to rail or shipment to a customer.
Sales volume	Sales to third parties
Thermal coal	Thermal coal, also known a steaming coal, is used in coal fired power stations to generate heat and electricity
Ton	Imperial weight measure used in the USA, equivalent to 2,000 pounds or 907.18 kilograms. Also referred to as short tons (t(US) or ST)
Tonne	Metric weight measure used in Australia, equivalent to 1,000 kilograms or 2,204.62 pounds
Total recordable injury frequency rate (TRIFR) - AUS	The sum of fatalities, permanent total disabilities, lost time injuries, restricted work injury and medical treatment cases divided by the total hours worked multiplied by 1,000,000
Total recordable injury rate (TRIR) - US	Total recordable injury rate (TRIR) with the incidence rates representing the number of injuries and illnesses per 100 full-time workers (200,000 hrs)



