



# Steel starts **here.**

SUSTAINABILITY REPORT 2019





## About Coronado

Coronado Global Resources Inc. 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. Our coals, transformed in the steel making process, support the manufacture of every-day steel-based products and social infrastructure that enrich lives around the world.

Coronado employs over 1,700 people directly and over 1,400 contractors globally with our administrative head office located in Brisbane, Australia and our operating head office located in Beckley, USA. 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, India, the America's and Europe. In total, we have eight operating mines at three locations that are close to transportation infrastructure.

Our management team has over 100 years of combined experience in all aspects of the coal value chain and has a successful track record of building and operating coal mining operations in Australia, the United States and globally. This operational experience is supplemented with a strong knowledge base of domestic and international coal markets and their key drivers.

With a diversified production base and Reserves and Resources sufficient to cover at least 20 years of production, 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.

## Coronado's Sustainability Principles



1. Support the health and wellbeing of our people by maintaining a safe workplace with the ultimate goal of zero harm



2. Respect our environment by minimising the impact of our business activities and rehabilitating affected landscapes



3. Be a valued and active member of the local communities in which we operate by delivering economic benefit and engaging in an open and transparent manner



4. Build teams of engaged and motivated individuals that understand the positive social and economic relevance of what they do



5. Operate fairly and equitably with suppliers and customers and generate superior and sustainable returns for security holders



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## Contents

|                          |    |
|--------------------------|----|
| Message from the CEO     | 2  |
| Bringing a Mine to Life  | 5  |
| Steel Starts Here        | 6  |
| About this Report        | 8  |
| Operational Overview     | 12 |
| Safety and Health        | 14 |
| People                   | 18 |
| Community                | 21 |
| Environment              | 24 |
| Climate Change           | 30 |
| Financial Performance    | 34 |
| Limited Assurance Report | 37 |
| Glossary                 | 40 |

## Important Information

The Coronado Global Resources Sustainability Report for 2019 provides a summary of the Company's sustainability performance and material risks for the financial year ended 31 December 2019.

When we refer to Coronado in this report, we are referring to:

- Coronado Global Resources Inc. (ARBN 628 199 468), which is listed on the Australian Securities Exchange (ASX) under the ticker code CRN; and
- Our major operating subsidiaries and controlled entities.

All \$ values are US dollars unless otherwise stated.

Coronado's financial year corresponds with the calendar year. All references to Financial Year, e.g. FY19, are for the 12-month period ended 31 December.

The Curragh Mine was acquired on 29 March 2018, representing a partial year period. To provide investors with comparable analysis, financial data and commentary in this report is provided on a proforma basis where appropriate, to enable comparisons to be as if the Curragh Mine was owned for the 12-month period ended 31 December 2018.

All volumes are quoted in metric tonnes on a proforma basis for the acquisition of Curragh unless otherwise stated and performance metrics compared to the corresponding prior period.

All references to "EBITDA" means EBITDA adjusted for FX and non-recurring items.

This report contains statements that constitute "forward-looking statements" within the meaning of Section 21E of the US Securities Exchange Act of 1934. Forward looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this report and include statements regarding our intent, belief or current expectations with respect to our business and operations, market conditions and results of operations. All forward-looking statements speak only as of the date they are made and reflect the company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance or events. Furthermore, the company disclaims any obligation to publicly update or revise any forward-looking statement, except as required by law. By their nature, forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Factors that might cause such differences include, but are not limited to, a variety of economic, competitive and regulatory factors, many of which are beyond the Company's control, that are described in our Annual Report on Form 10-k with the ASX and SEC on 25 February 2020, as well as additional factors we may describe from time to time in other filings with the ASX and SEC. You may get such filings for free at our website at [www.coronadoglobal.com.au](http://www.coronadoglobal.com.au).

Shareholders can request a printed copy of this report by writing to the Company Secretary, Coronado Global Resources Inc., Level 33 Central Plaza One, 345 Queen Street, Brisbane QLD 4000, Australia.

Coronado Global Resources Inc. reports its greenhouse gas measurements on an annual basis to the Australian Government through the Emissions and Energy Reporting System (EERS) and the US Government through Environmental Protection Agency through Greenhouse Gas Reporting Tool (e-GGRT).

# Message from the CEO



Managing Director & CEO Gerry Spindler

I am pleased to present Coronado's 2019 Sustainability Report, the second report published by the company since we listed on the ASX in October 2018.

This report provides an insight into the actions and initiatives we are taking on a daily basis to ensure our business is creating value and building a stronger future for our employees, customers, local communities and shareholders.

With a clear focus on the safety and wellbeing of our people, local communities, customers and the environment, our company is well positioned for sustainable growth into the future and will continue to have a positive impact on a broad range of stakeholders that are integral to our business.

As part of our commitment to transparency, this report communicates how we manage our material sustainability topics and tracks our progress against a range of people, environmental, community, operational and financial measures.

## Building a Sustainable Business – Steel Starts Here

Steel plays an indispensable role in building communities and social infrastructure that is essential to realising future economic growth and addressing the social needs of the modern world. The demand for steel products continues to grow and Coronado plays an important role in providing the key inputs to meet this demand.

Our business is focused primarily on the production of metallurgical coal, which is a key component in steel manufacturing which underpins virtually all industrial output including construction, transport, mechanical and electrical equipment, water and energy networks and renewable energy infrastructure. In 2019, we continued to expand metallurgical coal production and suspended the only dedicated thermal coal mine in the company.

We recognise that the production of metallurgical coal is associated with greenhouse gas emissions and are committed to reducing our impacts where possible. We are working with other industry participants, to support the development of new coal production and energy generation technologies, that help reduce the environmental impact of our operations, while continuing to meet global energy and steel demands.

### Our people come first

The safety of our people is our top priority, and this is culturally embedded in everything we do. We encourage all our people to be safety leaders and promote safe behaviours in the workplace.

While our safety performance in 2019 was better than industry averages in Australia and the US, we were deeply saddened by the tragic loss of a contractor at our Curragh mine early in 2020. On behalf of the whole Coronado team, we extend our deepest sympathies to the family of the individual and all those affected by this tragic event which has had a profound impact on our company. Investigations into this incident are ongoing, with the full support and co-operation of Coronado.

Our ability to operate efficiently and safely is a function of the quality of the talented and capable people who work at Coronado. We continue to invest in our people and we are building a talent pipeline for the future. We support our people through various training and development initiatives to further develop their skills and careers. Coronado is also an active supporter of science, technology, engineering and mathematics education initiatives in local schools providing students with contemporary learning programs.

We recently finalised a three-year enterprise bargaining employment agreement with our workforce at Curragh. In this process, we listened to and negotiated with our people to understand their key needs and motivations. This agreement has been approved by Fair Work Australia and is currently in effect.

Coronado has a long history of community engagement and is committed to supporting the long-term sustainability of the towns in regions where we operate. We proudly support the growth of local businesses through procurement and encouraging the use of locally available products and services where possible.

We also recognise the opportunity to make a positive contribution to the quality of life of the community. In 2019, we supported a variety of community initiatives through donations and sponsorships, provision of services and equipment, and by encouraging our employees to participate in community events throughout the year.

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In an increasingly volatile environment, sustainability will continue to be integral to our daily operations and activities across our portfolio of assets.

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We want a world where our children and grandchildren can grow and prosper. We understand that this requires a responsible approach to the development of the planet's resources and our commitment to managing the environmental aspects of our business ensures we are at the forefront of environmental management in the mining industry. This includes an operational focus on managing natural resources, such as water and natural vegetation, as well as taking steps to reduce our emissions intensity.

### Effects of COVID-19 on our business

Although this report is about Coronado's performance in 2019, the impact of the COVID-19 global pandemic on our business has a clear relevance to our sustainability performance in 2020.

The unprecedented and far-reaching effects of COVID-19 have been felt across all aspects of our business and Coronado has taken decisive actions to safeguard our operations, strengthen the balance sheet and increase liquidity.

To protect the health of our workforce, steering committees for both the US and Australia met, initially daily, with the COO to develop procedures to protect the health of the employees and their families. The measures implemented were specifically designed for the workforces and working environments of the US and Australia, and administered locally.

In the US where the workforce is local and rostered on a standard work week, employees commute to work on a daily basis. Exposure to family and community is continuous and the nature of the underground mines makes social distancing difficult. Workplace and bath house hygiene requirements were strengthened, but ultimately it was concluded that the best protection was afforded by furloughing the workforce during a period of lower demand and high inventory levels. In Australia, where the workforce is on a rotating four day roster, the challenges presented in achieving workplace health and containment were different. Focus was on camp and cafeteria social distancing and meticulous hygiene, as well as smaller workplace meetings and restrictions on food handling. Work in Australia, with these measures, was able to continue.



### Outlook

In an increasingly volatile environment, sustainability will continue to be integral to our daily operations and activities across our portfolio of assets. We have a diversified production base and Reserves and Resources sufficient to cover at least 20 years of production, so long-term sustainability is an important consideration in our strategic business planning.

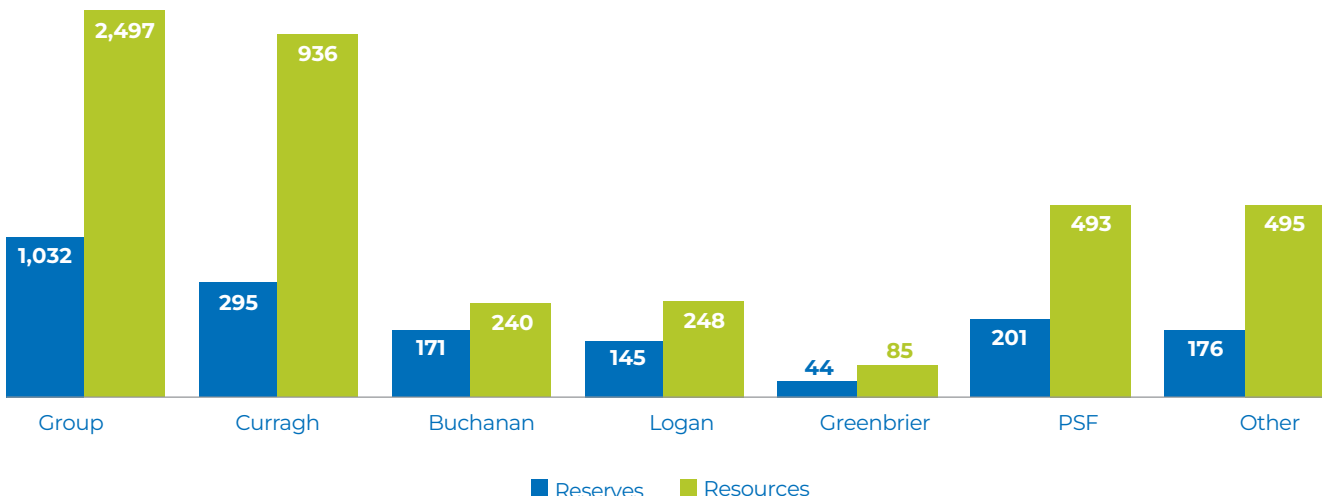
We know that sustainability issues, particularly Environment, Social and Governance (ESG), are increasingly important to our investors, communities, employees, customers and other stakeholders. With that in mind, we manage our business in a transparent, fair and ethical manner and aim to comply with all local laws and regulations. We take our commitment to sustainability seriously and will continue to focus on improving our performance in this area in 2020.

I look forward to updating you on our progress over time.

**Gerry Spindler** Managing Director and CEO

The timing and potential recovery from the global impacts of COVID-19 remains uncertain and in response the Company has reduced total capital expenditure in 2020 by approximately 40%, including deferring the expansion plans for Curragh. Our focus is to look after our people, maintain a robust financial position, a low-cost operating structure and continue our disciplined approach to investment decisions and capital expenditure in order to withstand a period of sustained lower prices. This will ensure we are well positioned for when the market eventually recovers.

### Reserves and Resources (Mt) as 31 December 2019<sup>1</sup>



Note:  
Coal Resources are reported inclusive of Coal Reserves

<sup>1</sup> Australian resources are estimated inclusive of 5.3% insitu moisture. United States resources are estimated on a dry basis. Refer also section headed 2019 JORC Resources and Reserve Statement announced on February 25, 2020 (Located in the Appendix of FY19 Media Release). The amounts outlined in this presentation have been amended for depletion.

# Bringing a mine to life

## Exploration

Exploration is the commencement of the mining process and represents the start to community employment and economic contribution including surveys, drilling, permits, mine technical analysis, legal and financial consultation and planning. Curragh in Q4 2019 commenced exploration to explore feasibility of underground mining within its mining tenements and has increased its reserve base via the acquisition of the Stanwell Reserve area (SRA).



## Mine design

Part of the mine planning and analysis, site design, mining methods and infrastructure requirements are assessed. The outcome of this assessment will determine the infrastructure required at a specific mine site to allow commencement of operations and contracting with communities further contributing to employment and the economy. All safety and environmental factors are considered and permitted before the next phase.



## Mine construction

Construction is a significant undertaking which, dependent on the project, can involve investments of millions or even billions and provide employment and contributions to local and international communities for decades. Construction is a continuous process and Coronado have plans to accelerate the expansion of Curragh mine to achieve saleable production of 15 mt per annum in 2023.



## Production

During the production phase mines will provide essential resources such as metallurgical coal to suppliers used in the manufacturing of Steel. Coronado produced 20.2mt in FY19 of which 84% was metallurgical coal, and 26% as thermal coal which is used by power plants for electricity capacity predominantly to communities in Australia and North America.



## Rehabilitation

Mines offer a finite resource and do have an end to their production life. Both progressively and at the end of mining, mine sites are required to rehabilitate areas disturbed. Coronado in FY19 recognised Asset Retirement Obligations (ARO) provisions of \$ 131.8 million for future site end of life closures.

# Steel Starts **Here**

The strength and durability of steel has made it the most important material in our everyday lives.

Its multi-functional nature allows for broad use in everything from major infrastructure projects, to transport including cars and airplanes, and even common household appliances. Steel is also a core component of next generation renewable energy solutions such as solar and wind farms and can also be recycled, making it a uniquely sustainable material to be used for generations to come.

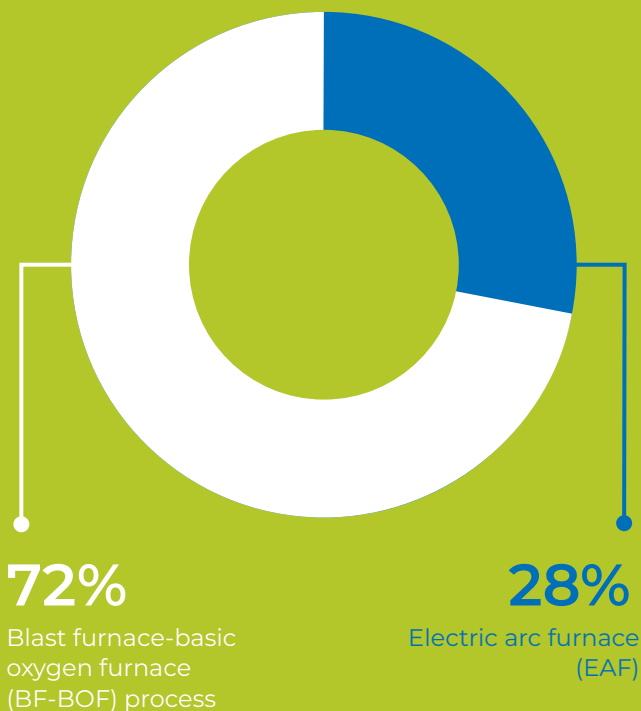
With steel consumption expected to grow in line with the global economy over the long term, it will continue to play a vital role in improving the quality of life for people around the world.

Coronado produces metallurgical coal, which is an essential input for steel production, and for which no viable commercial alternative currently exists.

## Production of Steel

When iron is combined with carbon, recycled steel, and other elements, it is transformed into a much stronger material called Steel which can be 1,000 times stronger than iron.

Steel production takes place via two main processes:



**To produce 1,000kg of crude steel using blast furnace or integrated route process you need around:**

- 1,370kg** of iron ore
- 270kg** of limestone
- 780kg** of coal
- 125kg** of steel scrap

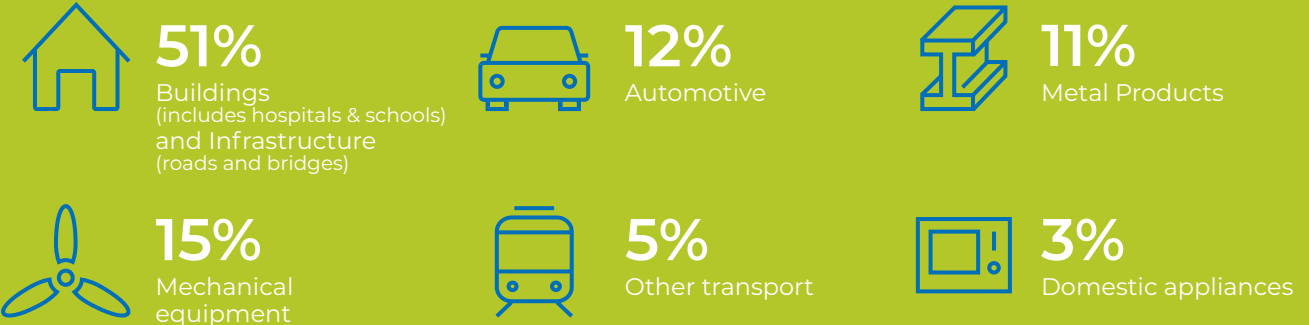
**To produce 1.8 billion tonnes of crude steel annually, the global steel industry requires:**

- circa **2 billion tonnes** of iron ore
- 1 billion tonnes** of metallurgical coal; and
- 575 million tonnes** of recycled steel

Source: World Steel Association: Steel Facts

## Wide use of Steel

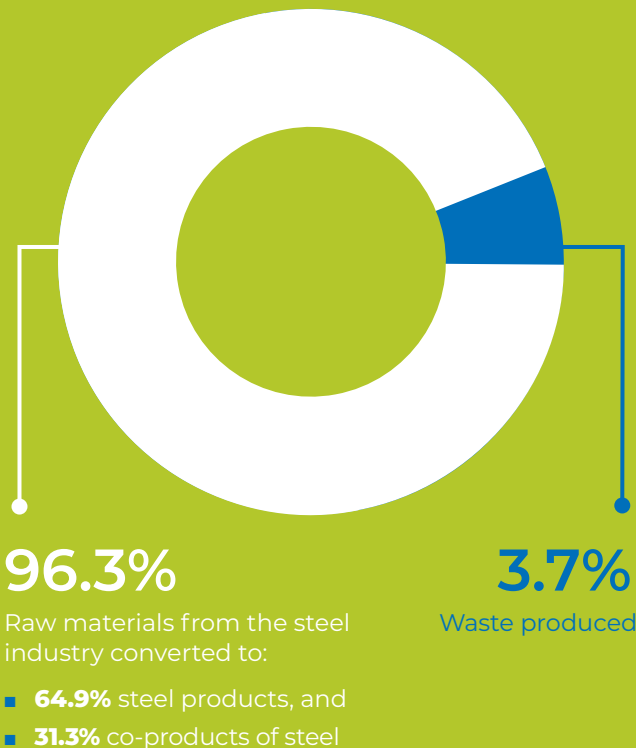

The amount of steel used in the world reached 1.7 billion tonnes in 2018. Steel markets are broadly as follows.




## Sustainability of Steel

Steel is 100% recyclable and can be reused infinitely. On average new steel products contain 30% recycled steel. Steel products are durable and last a long time, with the average life span for a steel product being 40 years.


The steel industry uses its resources efficiently and produces very little waste:

More than **630 million tonnes** of scrap steel are recycled every year



This saves approximately **950 million tonnes** of CO2 that would have been emitted from producing virgin steel



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 offers the most economic and the **highest strength to weight ratio** of any building material

# About this Report



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Coronado Global Resources' Sustainability Report for the period ended 31 December 2019 is our second Sustainability Report since listing on the Australian Securities Exchange.

The Report outlines the Company's performance in the areas of Safety and Health, People, Community, Environment, Climate Change, Financial Performance and Governance. It also provides an overview of the locations and characteristics of our operating sites and a brief overview of the role metallurgical coal plays in the production of steel and the importance of steel in sustaining global communities and economies.

### Why report on sustainability?

Coronado's approach to sustainability is intrinsically linked to long-term business performance and we acknowledge that stakeholders are increasingly demanding greater transparency on sustainability metrics. As a business focused on generating long-term value for its security holders, Coronado is committed to providing clarity on a wide range of sustainability issues. We recognise that sustainability goes beyond financial capital and that there are other equally important measures such as human, natural and social capital that will underpin the sustainability of our business over the long-term.

## Governance

Sound corporate governance is essential to building a sustainable business. Our security holders, customers, employees, communities and other stakeholders expect us to manage our business in a transparent, fair and ethical manner and to comply with all local laws and regulations. Our approach to governance is underpinned by a structure that goes beyond the disclosure requirements of the U.S. Security and Exchange Commission and ASX.

Coronado's Board of Directors ("The Board") has overall responsibility for the delivery and governance of long-term sustainable value creation. The Board is governed by the Board Charter and Corporate Governance Guidelines and provides oversight on a range of corporate and material sustainability issues.

The Board has established three standing Committees: Audit, Governance and Risk Committee, the Compensation and Nominating Committee and the Health, Safety, Environment and Community Committee. The Health, Safety, Environment and Community Committee supports the Board to identify and monitor the management of health, safety, environmental and social risks and opportunities that have the potential to have a significant impact on our business and the communities in which we operate. This Committee also approves the Sustainability Report for publication.

Coronado has implemented and communicated several key policies that govern how we operate. These being: The Code of Conduct and Business Ethics Policy, the Anti-Corruption Policy, the Whistleblowing Policy, the Security Dealings Policy and the Gender Diversity Policy. Notably, this year we rolled out comprehensive Code of Conduct training to all employees and Directors. This covered our expectations on the behaviours promoted by our CARE values.

Coronado respects the human rights of all stakeholders and does not tolerate modern slavery and other abuses of human rights in our supply chains or elsewhere. Our supply chain encompasses a broad range of products and services across our operations and corporate business units and includes contractors, subcontractors, consultants as well as suppliers of products. Coronado is committed to implementing and monitoring practices which support human rights with reference to the Australian Modern Slavery Act 2018. We are currently working on implementing new procedures and will be publishing a Modern Slavery Statement, outlining how we will identify and mitigate modern slavery risks in our business.

## Frameworks

Coronado is a relatively newly listed company and continues to evolve its sustainability reporting and disclosures. We believe transparency builds trust with our stakeholders and is necessary to achieving better environmental, social and economic outcomes.

In developing the 2019 Sustainability Report, Coronado has been guided by principles drawn from the Global Reporting Initiative (GRI) and the International Council on Mining and Metals (ICMM). We will continue to work towards improving our sustainability disclosures so that they better align with these international standards and frameworks.



## GRI Reporting Principles for defining report content

We have incorporated aspects from the GRI Reporting Principles into the development of our 2019 Sustainability Report.

- **Stakeholder inclusiveness:** The Report's content reflects topics that have been identified through the internal materiality assessment process and incorporates views from various external stakeholders.
- **Sustainability context:** Coronado's commitment to sustainability has been addressed throughout the Report with reference to our business strategy with particular focus on safety and people, environmental performance, short and long-term financial performance, and community partnerships.
- **Materiality:** Coronado conducted an internal materiality assessment to obtain insights into key risks and opportunities.
- **Completeness:** Information within this report relates to our business operations and our material topics for 2019.

## International Council on Mining and Metals (ICMM) Mining Principles

Coronado looks to the ICMM's Mining Principles for leading practice guidance on mining management. The ICMM's principles for sustainable development set performance expectations on key aspects such as ethical business, decision-making, human rights, risk management, health and safety, environmental performance, conservation of biodiversity, responsible production, social performance and stakeholder engagement. Over time, Coronado aims to expand the governance of a broad range of sustainability issues at the corporate, operational, and Board levels to incorporate the ICMM expectations.

## Materiality

Our materiality process is evolving in line with principles drawn from the GRI Reporting Principles on materiality. Coronado considers the impact that our business has on the economy, the environment and society; and the impact that various issues could have on our organisation and its sustainability.

- **Step 1: Identification** – Material topics were identified through a desktop review of a variety of sources including our business strategy, risk register, industry trends, legislation, peer and media review. This identification process was informed by interviews with our executive leadership team.
- **Step 2: Prioritisation** – Material topics were prioritised according to our analysis of how important and how impactful the topic is to Coronado's business; and according to what degree Coronado can impact that topic through its activities.

- **Step 3: Validation** – External validation of material topics may be pursued in future to ensure our internal identification and prioritisation process remains valid.
- **Step 4: Review and report** – Review and reporting of material topics for our Sustainability Report to ensure key topics are allocated sufficient breadth and depth in our reporting, as guided by the GRI standards and to meet our objective of transparent reporting.

## Material issues in 2019

Our materiality process provides us with insight into risks and opportunities. Coronado continues to develop its materiality process to track and manage ongoing issues and identify emerging ones.

We identified the following key topics that are material to Coronado. These sustainability topics are critical to our business and stakeholders; and we have assessed the impact our activities have on the economy, the environment and society.

- **Health and Safety.** The health and safety of our people is our number one priority. Our commitment to prioritising health, physical safety and mental wellbeing is fundamental to our everyday practices and the way we engage with our staff, contractors and other stakeholders. We promote our people's 'safety mindset' through training, safety behaviours and leadership and seek continuous improvement in all health and safety related aspects across our operations.
- **Minimising our impact on the environment and restoring the land.** Coronado is mindful of preserving our environment and natural resources. Our activities inherently affect the land on which we operate. Coronado conducts its business in a manner that protects and supports the environment to best reduce these impacts, by implementing best practice standards in our activities. We acknowledge the importance of rehabilitation and restoration of landscapes and aim to minimise the waste our activities generate and minimise the amount of water our activities use.
- **Our people.** Coronado's people are the foundation of our success. We seek to attract, retain and develop skilled people who demonstrate our values. Together, we create a diverse and inclusive workforce and a talent pipeline that nurtures future leadership. We work hard to ensure our workplace is growing our diversity and that our business and operations attract the right employees to implement sustainable solutions.
- **Engagement and cooperation with communities.** We want to be a trusted partner to the communities where we operate. Our success depends on the value that communities place on our presence. Coronado will continue to support and engage with communities and deliver meaningful gains for stakeholders in the long-term. Our communities are vital to ensuring sustainable growth by providing links to local workforce, suppliers and infrastructure.

- **Sound financial position.** Sustainable economic performance is a core part of value creation for Coronado's stakeholders. Maintaining a sound financial position includes having a strong balance sheet, focus on cost management, and a long-life reserve base. This ensures we can manage the business through commodity cycles. Coronado is creating value for governments and regulators by paying royalties, levies and state and federal taxes; for our customers, through our competitive pricing and focus on innovation; and ultimately value for society through the positive economic impact of our sustainable business model. A sound financial position is key towards creating shared value, whereby our business thrives together with communities, suppliers and other stakeholders.
- **Physical and non-physical impacts of climate change.** Coronado acknowledges climate change is a complex risk that requires action at all levels of society. Climate change can heighten existing physical and non-physical risks and introduce new ones that can affect business performance in the near and long-term. We will continue to work with industry on this important topic and develop our response to the Taskforce on Climate Related Financial Disclosures (TCFD) framework, including disclosure and tracking of climate-related risks and opportunities.

We proactively manage these risks to ensure we achieve and maintain a sustainable business that serves our key stakeholders including our customers, suppliers, shareholders, employees, governments 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 detailed in the Assurance Statement on pages 37-39.



# Operational Overview

## Curragh

|                          |                                   |
|--------------------------|-----------------------------------|
| Location                 | Bowen Basin in Central Queensland |
| Year opened              | 1983                              |
| Year acquired            | 2018                              |
| Reserves                 | 295 Mt                            |
| Resources                | 936 Mt                            |
| 2019 saleable production | 12.5 Mt                           |

### Number of active mines<sup>2</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, SCC, PCI coal and thermal coal

### Key customers/markets

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

### Expansion projects

Stanwell Reserve Area, MDL 162

## 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                 | 171 Mt  |
| Resources                | 240 Mt  |
| 2019 saleable production | 4.5 Mt  |

### Number of active mines<sup>2</sup>

One underground mine with longwall mining system

### Types of coal products

Low-vol HCC and premium low-vol PCI coal

### Key customers/markets

North America customers and export destinations, including China, Europe and South America

BUCHANAN, LOGAN AND GREENBRIER

EUROPE

BRAZIL

<sup>2</sup> Active mines as at 8 May 2020.

## 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                 | 145 Mt  |
| Resources                | 248 Mt  |
| 2019 saleable production | 2.7 Mt  |

### Number of active mines<sup>2</sup>

Three underground mines (Lower War Eagle, Powellton, Eagle 1) and one surface mine (Toney Fork, suspended)

### Types of coal products

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

### Key customers/markets

North America steel makers and export destinations, including Europe, South America and India

### Expansion projects

3.2 Mt mineable Reserves adjacent to existing Logan operations

## 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                 | 44 Mt  |
| Resources                | 85 Mt  |
| 2019 saleable production | 0.6 Mt   |

### Number of active mines<sup>2</sup>

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

### Types of coal products

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

### Key customers/markets

North America steel makers and export destinations, including Europe, Asia and South America



# Safety and Health



At Coronado our employees and contractors are our most valuable assets and we consider their safety our number one priority.

## Why this matters

Safety is essential to all business functions and is never to be compromised, under any circumstance. The health and safety of our people is reinforced every day through our culture, behaviours, training, communication and procedures.

## How we manage safety and health

Coronado manages safety and health through continuous improvement efforts and the implementation of practices and procedures that address safety risks in full compliance with the legal and regulatory frameworks of both the US and Australia. We empower our people to consistently strive to have a safety mindset, and act by applying, managing and monitoring effective controls to prevent adverse outcomes with all activities and operations. Our programs are intended to reinforce our position that safety and health should always be front of mind for all employees and contractors. These programs are assessed on a regular basis to ensure they continue to be fit for purpose.

At Coronado there are robust training programs and strategic initiatives in place to ensure workers are informed about health and safety matters, including coal workers' pneumoconiosis (CWP), silicosis, hearing loss, and other occupational illnesses. In addition, we conduct sampling and health checks with our workers in line with health and safety legislative requirements.

In 2019, safety training initiatives rolled out in the US included:

- Redesign of supervisor training program to provide deeper understanding of team leadership qualities, company expectations, regulatory and policy compliance and incident investigation;

- Implementation and completion of risk-based hazard mitigation training for all employees; and
- Establishing partnerships with Universities' geological programs to study and better understand respirable dust and silica exposures and the potential impacts on our people.

To aid continuous improvement, monthly Safety Development Group (SDG) meetings are conducted that review observations, ideas, track trends, and develop plans and processes to address the safety trends at each division, and from the US Mining Industry. In addition, an annual safety summit allows all divisions to come together and share best practice processes and procedures.

In 2019, Curragh embarked on a continuous improvement program to comprehensively refresh and communicate our approach to the control of safety risks through our Safety Health Management System, which included:

- Review of a broad-brush risk assessment to be finalised in 2020;
- Setting of lead indicators to track and achieve continual improvement;
- Implementation of a new 'Management of Change' safety practice to better support safe practices when making changes to facilities, operations, or personnel;
- Implementation of an improved Contractor Management system; and
- Improvement of communication and consultation channels with the workforce.

Other safety initiatives undertaken at Curragh included:

- Introduction of 'Safety Resets' to impress upon all coal mine workers the crucial need for hazard awareness and risk management at a personal level to improve the safety culture, and eliminate any reluctance amongst employees to raise safety concerns and report hazards;
- Increased focus on peer on peer safety conversations to informally discuss safety issues as they occur and reinforce safe behaviours;
- Mine management team participation at all on-site induction presentations, including presenting on culture, personal safety and includes emphasis on legislative awareness; and
- Continuation of health and wellness programs including monthly toolbox talks, skin cancer checks, vaccination programs, medical health assessments and access to employee assistance and mental health programs.

In 2020, we aim to sustain our health and safety improvements and further instil a positive risk management culture with our workforce. Recent industry-wide safety resets have refocused on the importance of applying risk management processes in every aspect of our work. Building upon this, introduction of behavioural risk reduction processes to complement our safety interaction program and control monitoring processes will also drive safety improvements.



### Case Study: Mental health awareness

We believe that our people's mental wellbeing is equally as important as their physical wellbeing. That's why we introduced a mental health working group comprising a cross-section of employees to lead the roll out of a health and wellbeing program at Curragh to promote positive mental health.

This year, we focussed on mental health awareness and six focus areas:

- 1. Improve understanding** – mental health awareness training conducted for all new-starters and leaders
- 2. Reduce stigma** – our people participated in two awareness activities including R U OK? Day and QLD Mental Health Week
- 3. Improve policies and procedures** – we updated our Personal Leave Policy to specifically reference mental health and are in the process of reviewing our Readiness for Return-To-Work Policy and associated procedures
- 4. Measure, report and respond** – we receive quarterly reporting from our employee assistance program provider and monthly reports from our peer support program to ensure we have the data to better respond to the needs of our workforce
- 5. Address risks** – we implemented a mental health first aid program to train our people. In 2019, we rolled out four courses where 44 personnel were trained and 22 were registered as Workplace Mental Health First Aiders
- 6. Support self-care** – with the support of our designated mental health first aiders, we are seeking ways to encourage and educate our people to understand the link between mental health and physical health

## Our Performance

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.

We set targets for safety interactions which is a process where employees observe a risk behaviour and provide immediate feedback if it is deemed, or has the potential to be, unsafe. This is monitored by management daily through safety meetings, site visits, employee discussions, and management observations. The process allows for greater empowerment, innovation and employee input into the mining process. In 2019, there were more than 52,800 safety interactions at Curragh which resulted in a significant amount of safety improvements.

In 2019, our safety indicators measures outperformed Australian and US industry averages:

- Our US operations had the lowest reportable rate (TRIR<sup>3</sup> 2.14) in the company's history. This was an improvement over 2018 which was also the lowest reportable rate, at that time, in the company's history.
- Curragh outperformed the Queensland mining industry total recordable incident frequency rate (TRIFR<sup>4</sup> 6.55).

In January 2019 all of the company deep mine operations in West Virginia and the Saunders preparation Plant at the Logan Division in West Virginia received the prestigious Mountaineer Guardian Safety Award for 2018. These awards are determined by nominations from West Virginia Office of Miners, Health, Safety and Training Inspectors, a comparison of exposure hours and incident rates with other similar mines within the state and awarded by the West Virginia Coal Association. We again received the prestigious Mountaineer Guardian Awards for 2019 for all the company underground mines in the Logan Division, and the Mountaineer Preparation Plant in the Greenbrier Division.

Our Buchanan operations recorded 1,000,000 man-hours without a lost time incident and earned the safety award for the "Best Large Deep Mine" in the state of Virginia by the Virginia Department Mines, Minerals and Energy.



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

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

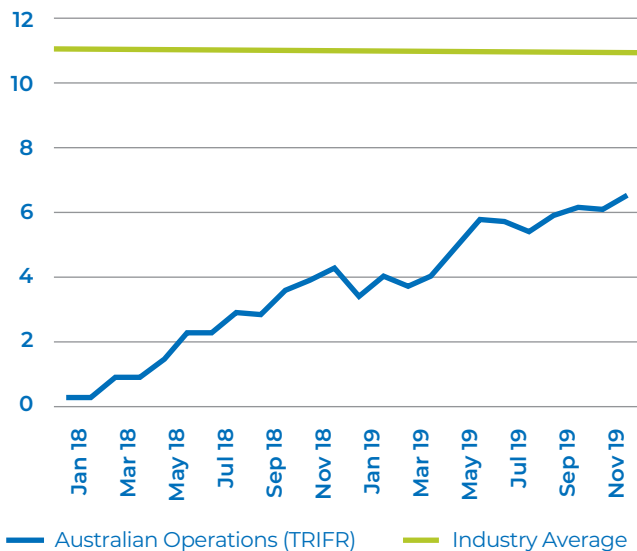


**Case Study: Respirable dust**

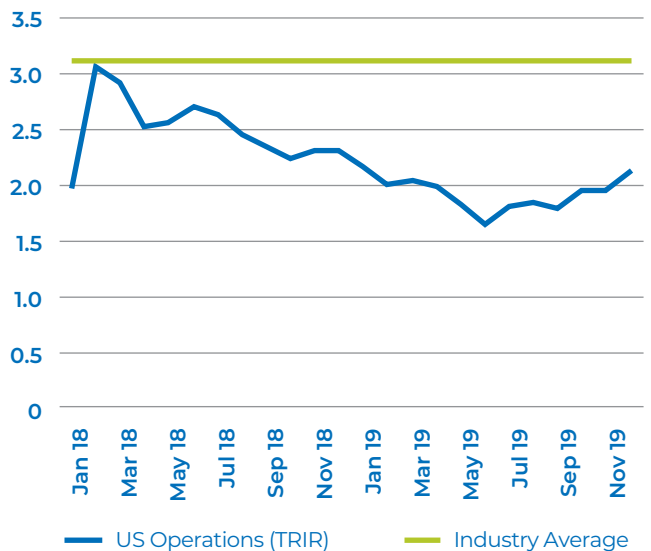
Black lung, silicosis, and Progressive Massive Fibrosis (PMF) continue to be a focal point in the US mining industry. In 2019, US Operations conducted 7,755 respirable dust samples on our miners. The process of monitoring and collecting data has progressed and miners now wear a personal dust monitor (PDM). The PDM can provide real time results to the miners, it allows them to alter their work practices and procedures and monitor their dust environment. All employees have been trained on how to read and understand the results. Multiple engineering controls have been taken from the results of the PDM in order to continually assess the atmosphere in which our miners operate, reduce exposure to rock dust, actively manage ventilation controls, and experiment with different equipment to change the particle size of fugitive dust.

One particle the PDM will not measure is quartz, which is inherent in the coal seams and strata that surrounds the coal. Quartz requires a gravimetric sampling device to be measured. Therefore, we conduct engineering samples with gravimetric pumps to gauge our respirable quartz content and have partnered with multiple university geological departments to understand the geology associated with our operations in relation to respirable quartz. This has allowed us to alter and evaluate changes to our mining techniques and mine in areas where less quartz is present. We have committed to continue these important university partnerships in 2020. This will allow Coronado to better understand reserves, evaluate mining methods, participate in advanced PPE studies, and be on the leading edge of reducing exposure to our miners.

**Safety Performance – Australian Operations (TRIFR)<sup>5</sup>**



**Safety Performance – US Operations (TRIR)<sup>6</sup>**



5 Total Recordable Injury Frequency Rate (TRIFR), is the number of fatalities, lost time injuries, cases or substitute work and other injuries requiring medical treatment per million man hours worked on a rolling 12 months basis.

6 Total recordable incident rate (TRIR) It is a mathematical computation that takes into account how many OSHA recordable incidents your company has per number of hours worked on a rolling 12 months basis.

# People



Our ability to attract and retain skilled, motivated and engaged employees is an essential part of our business. Investing in the skills and capabilities of our people will underwrite the company's long-term growth and sustainability.

## Why this matters

In both Australia and the US, we operate in regional geographic locations with highly competitive labour markets. In each location, we are creating a high-performing workforce with a talent pipeline for future leaders, including succession planning for critical roles. To maintain this advantage – and to attract, develop and retain the best people – it is essential that we embed a culture where people are valued, respected and motivated to fulfil their career potential. We remain focussed on implementing the key initiatives identified in last year's report, being 'workforce composition and diversity' and 'attracting and retaining the right people' and will continue to build on programs in those areas.

## Workforce composition and diversity

### How we manage this

Coronado's capabilities are built on our core values of collaboration, accountability, respect and excellence. To enable our people to excel within the workplace we are building a diverse and inclusive workforce, where unique viewpoints are heard, valued and respected. We believe this directly impacts the safety and productivity of our people.

Our employees are trained to recognise and mitigate potential biases towards others. This year, we continued to invest in training initiatives to challenge hiring managers' unconscious bias and preconceptions. These initiatives have equipped our leaders with knowledge and tools to identify and challenge stereotypes and biased decision making. It also led to the review of policies and processes that may have inhibited the hiring and promotion of certain people. This included reviewing the wording used in job advertisements and challenging what has historically been regarded as essential experience to ensure that people entering the industry, or who have taken a career break, are not unintentionally disadvantaged.

## Case Study: Internship and traineeship programs

Our internship and traineeship programs are aimed at building the future of our industry. We support students transitioning from study to work by offering programs across multidisciplinary fields including engineering, accounting and trades. By working with institutions such as Central Queensland University, University of Queensland, University of Kentucky, West Virginia University and Virginia Tech we can provide university students with work exposure and practical experience in their chosen discipline. For us, this also means that we can identify top talent and integrate them more seamlessly into our business. We intend to develop a structured graduate program to provide future recruits with a more diverse learning experience.



As a university student, I participated in a three-month vacation student program at Curragh and upon graduating was given the opportunity to remain part of the environmental team. The vacation student program was an invaluable experience which helped instill the theory I learned at university while also providing an opportunity to interact with leading industry specialists. Since starting at Curragh, I have been exposed to many aspects of the business, working closely with our engineering and planning teams, to assist in the delivery of permits, energy and emissions reporting, environmental data system migration and environmental compliance work.

Being part of a relatively small, site-based team has enabled me to diversify my skillset while also discovering my key strengths and interests. Curragh has helped me realise the positive impact I can have on the environment and long-term sustainability by choosing this career path.



**Madeline**

We invest in training and development programs for both our new and long-serving employees. Investing in graduate recruitment, traineeships and internship programs through partnerships with leading education institutions has been central to accessing talent and building our brand. Further, our internal leadership development enhances succession planning and the transfer of skills and knowledge across the Group.

## Our performance

In 2019, Coronado employed 1,793 people directly and had 1,471 contractors working across all its sites. As at 31 December 2019:

- In the US, over 11% of the Senior Managers<sup>7</sup> were female, up from 10% in 2018
- In Australia, 26% of employees at a General Manager, Senior Manager and Senior Professional level were female, down from 29% in 2018.

## Age Distribution

| Total Group | All employees |              |            | Total        | Managers <sup>8</sup> |             |           | Total      |
|-------------|---------------|--------------|------------|--------------|-----------------------|-------------|-----------|------------|
|             | <30 years     | 30-49 years  | >50 years  |              | <30 years             | 30-49 years | >50 years |            |
| 2018        | 196           | 968          | 568        | 1,732        | 3                     | 89          | 54        | 146        |
| <b>2019</b> | <b>201</b>    | <b>1,009</b> | <b>583</b> | <b>1,793</b> | <b>3</b>              | <b>95</b>   | <b>64</b> | <b>162</b> |

<sup>7</sup> Top 5 layers of 'First/Mid Officials and Managers' (as classified by the US Equal Employment Opportunity Classification levels 1.1-1 – 1.2-5).

<sup>8</sup> Refer to footnotes 4 and 5.

## Workforce headcount

|                   | Employees    | Contractors  |
|-------------------|--------------|--------------|
| <b>Curragh</b>    | 449          | 1,444        |
| <b>Logan</b>      | 583          | 7            |
| <b>Greenbrier</b> | 134          | 20           |
| <b>Buchanan</b>   | 591          | 0            |
| <b>Beckley</b>    | 36           | 0            |
| <b>Total</b>      | <b>1,793</b> | <b>1,471</b> |

- 56% of all employees were between the ages of 30 and 49 years of age
- 60% of managers were under 50 years of age.

## Attracting and retaining the right people

### How we manage this

We continued to focus our efforts on recruiting trainees and other entry level roles. We have also implemented the following initiatives:

- Comprehensive training, performance and leadership development programs. In Australia, leaders attended a three-day leadership foundations program which was designed to build a high performing culture. The first part of the workshop looked at individual leadership mindsets and how this influences a high-performance culture. The second part reviewed core skills of leaders in high performance cultures. Similar programs were run for US leaders.
- Competitive and flexible remuneration structure. In 2018, we reviewed the US benefits program and improved the offer for our US based people. This was continued in 2019 following positive feedback. In Australia, we focussed on promoting flexible working arrangements and other reward and recognition options.

We have a continuous improvement and feedback mindset in relation to further promoting employee engagement and motivation. Across our business there is a concerted effort to develop leadership skills, foster an inclusive working environment, and assist managers improve engagement and productivity.



### Case Study: Family Fun Day

Recognising the importance of family to our employees, Coronado held its 3rd annual family fun day at the Summit Bechtel Family National Scout Reserve, located in Glen Jean, West Virginia on September 21, 2019. This event demonstrated Coronado’s appreciation for its employees and their families and provided an opportunity for co-workers and their families to gather together and enjoy great food, musical entertainment, events and carnival rides for the kids, and company sponsored prize giveaways.

We had a great turnout with 874 employees attending. Including family members, total attendance was 2,700 people. Feedback from employees was tremendous and we will continue to invest in initiatives that reward and recognise our people. The event also reflects Coronado’s position as an employer of choice in the region, so is a valuable attraction mechanism.

## Our Values

At Coronado we CARE for ourselves, our co-workers and our company and that means we always work safely.

**The safety of people in our work locations will always come first.**



### Collaboration

We work together to get the best outcome



### Accountability

We do what we say we will do and take ownership of our successes and failures



### Respect

We welcome and value all individuals and understand the value that diversity brings



### Excellence

We maximise our efforts and strive to be better tomorrow than we are today

## Our Performance

Coronado currently employs over 1,700 people across our diverse range of work sites, and we believe our highly knowledgeable, efficient and driven team is what gives us a strong competitive advantage.

We improved our voluntary turnover rates across our operations. In 2019, our total rolling turnover rate was 13% and 18% and our voluntary departure rolling turnover rate was 8% and 12% in Australia and the US, respectively. McDonald benchmark data for coal provides industry average data of 21.5% total rolling turnover and 13.2% voluntary turnover as at December 2019.

### Turnover rate

|                              | Rolling turnover rate |      | Voluntary departure rolling turnover rate |      |
|------------------------------|-----------------------|------|---|------|
|                              | 2019                  | 2018 | 2019                                      | 2018 |
| <b>Australian Operations</b> | 13%                   | 23%  | 8%  | 15%  |
| <b>US Operations</b>         | 18%                   | 14%  | 12%                                       | 12%  |

We will continue to invest in our people, and in 2020 we will be focussing on the following initiatives:

- Increasing non-traditional representation and retention across the board, from trainees through to senior management.
- Continuing to promote flexible working opportunities and reward and recognition programs.
- Developing robust talent identification and management programs including a mentoring program.
- Continuing to promote mental health wellness and awareness and ensuring we offer a supportive and inclusive environment for any employees impacted by mental health issues.
- Developing measurable targets for each geography which will enable us to track improvements in diversity.

# Community



Every Coronado operation is part of a local community and we recognise and accept that we have a clear responsibility to minimise our environmental impact and maximise long-term economic benefits.

## Why this matters

Engagement with our local communities is particularly important in regional locations where the creation of jobs drives economic growth and social change. At Coronado, we interact with a range of stakeholders and seek to develop collaborative and mutually beneficial partnerships through our procurement practices. We also encourage our employees to regularly participate in local activities and events to ensure our focus on giving back extends throughout our organisation. We have identified two key community focused areas for the 2019 reporting period, 'stakeholder engagement' and 'community contribution'.

## Stakeholder engagement

### How we manage this

Building strong and beneficial relationships with our stakeholders is part of the way we do business. Our stakeholders include contractors, suppliers, the local community, as well as governments and broader community leaders. We stay connected with our local community networks through community groups and our existing relationship with councils, schools and businesses. We also meet regularly with contractors and suppliers to ensure we address any emerging issues and remain aligned across goals, values and objectives.

In addition to ongoing stakeholder engagement, we prioritise local procurement and local employment wherever possible. This year, we switched the sourcing of stationery, catering, uniform and other labour hire contractors at Curragh to local suppliers, to support local employment and benefit the wider community. As an example, permanent new starters at Curragh receive a hamper of goods as a welcome gift and all these products are sourced locally. As part of our procurement strategy, Coronado strives to identify contractors and suppliers that support our diversity goals and our objective to enrich the lives of our neighbours and our combined workforce.

### Our Performance

We have long-standing relationships with the communities surrounding our mines. Many of our employees live near our mines and mutually benefit from our social partnerships and investments. We strive to procure goods and services locally, where possible, from within the community in which our mines are located. Over 80% of goods and services for our Curragh operations come from within Queensland. In the US, more than 75% of our suppliers are located within a 100 mile radius of our operations.

#### Employees in our local community

- 56% of our site-based employees at Curragh, have a home in nearby Blackwater
- 57% of Buchanan employees live within the Buchanan/Tazewell counties
- 45% of Logan employees live within the Logan/Wyoming counties
- 48% of Greenbrier employees live within the Greenbrier county

### Community contribution

#### How we manage this


Coronado has a long history of community involvement which reflects our commitment to support local communities and the long-term sustainability of the towns close to where we operate. We believe that by investing in community initiatives, we can have a positive influence on the lives of both our neighbours and employees. We listen to our communities to identify areas that are important to them and target our contributions accordingly across a range of focus areas. Our donations, partnerships and sponsorships generally support three key areas: social welfare; education; and health.

Over the past 12 months, 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 groups to ensure we understand our communities and impact.

Coronado supported a variety of community initiatives by encouraging our employees to participate in events and through the provision of services and equipment. Initiatives included:

- Supporting Science, Technology, Engineering and Mathematics (STEM) education initiatives in our local schools ensuring students are exposed to contemporary STEM learning. We offered STEM grants to the three Blackwater schools to purchase equipment and materials to develop their STEM facilities and student offerings.
- Sponsoring community events and activities such as the Buffalo Creek Watershed, the Logan Freedom Festival and Buchanan Country Fair, Summer Recreation programs run by the YMCA, and community development initiatives such as the Rainelle Revitalisation Program and the Powell River project. These initiatives help make our communities great places to live, which has a positive impact on our workforce.
- Donating to numerous sporting clubs, to promote increased participation in sport and improved health in our communities.

In addition to these initiatives Coronado makes a substantial financial contribution to the wider community through the payment of taxes 67.9 million, Royalties (Third Parties) 194.7 million, Government Royalties 137.6 million, salaries and wages 265.0 million, payments to supplier 1,171.2 million.



### Case Study: Stepping Stone

Stepping Stone is a member-based community organisation in Brisbane, Queensland that addresses the serious impact that mental illness has on people's lives. It is dedicated to suicide prevention and to ending social and economic isolation for people living with mental illness. This year, Coronado partnered with Stepping Stone to offer a paid, fixed-term job placement to one of their members, providing them with the opportunity to re-enter the workforce. Through this program, the individual was able to interact with a range of people, take ownership of duties, prioritise and troubleshoot common problems. The individual reported that the experience had a significantly positive impact on their confidence. In addition, Coronado employees obtained a greater understanding and familiarity with people living with mental illness. This resulted in an increased number of discussions about mental illness in general, reducing the stigma attached.



**Case Study: Project Healing Waters**

In 2019, Coronado co-sponsored Project Healing Waters, where approximately 130 disabled veterans in West Virginia gathered at the Thornwood, WV 4-H camp to learn about fly-fishing. Project Healing waters is dedicated to the physical and emotional rehabilitation

of disabled active military service personnel and disabled veterans through fly-fishing and associated activities including education and outings. It provides a sense of community and enjoyment through a new activity.

**Our Performance**

**Community contributions**

|                      | Social Welfare/<br>Community<br>Relations | Education and<br>Young People | Health  | Other    | Total     |
|----------------------|---|-------------------------------|---------|----------|-----------|
| <b>Australia</b>     | \$205,639                                 | \$145,938                     | \$9,900 | \$38,297 | \$399,774 |
| <b>United States</b> | \$495,181                                 | \$28,836                      | N/A     | N/A      | \$524,017 |

We will continue to invest in our communities and in 2020, we will be focussing on:

- Developing our stakeholder engagement management plans for the communities where we operate. These plans will be developed in partnership with our communities to better understand the long-term value we can achieve together. For example, through close engagement with regional Queensland Health and participation in the Blackwater Health Advisory Group, Curragh will support the drive for improved services such as access to radiography and other medical facilities.
- Developing consistent metrics for identifying, monitoring and reporting on our social impacts and opportunities, with a focus on outcomes measurement.

# Environment



At Coronado, we actively integrate environmental risks, impacts and considerations into our day-to-day operations.

## Why this matters

We take our environmental obligations seriously and see this as a way to improve our operations and secure long-term value for our stakeholders. We seek to minimise our environmental impact and ensure we meet or exceed our legislative and regulatory environmental obligations. We plan ahead so that at the conclusion of operations we leave the area in as good as or better condition than it was at the start of a project. We intend for the land to be restored to agreed rehabilitation and closure criteria, ensuring long-term value for our stakeholders and the communities in which we operate.

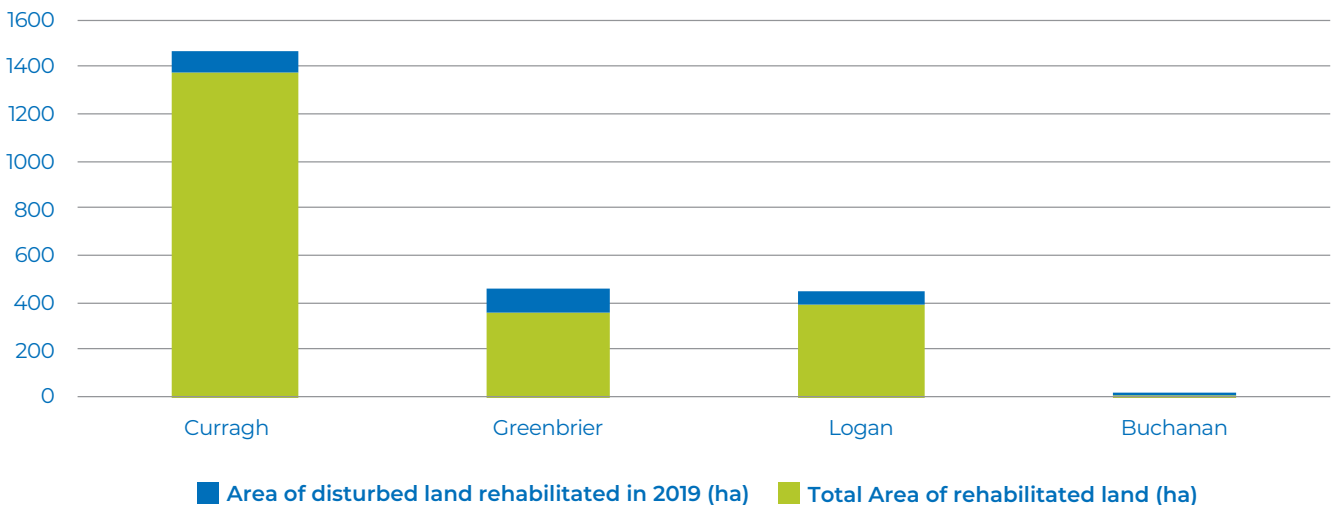
## Rehabilitation

Coronado is committed to the rehabilitation of the land in the areas that we operate by implementing best environmental management policies and practices such as progressive rehabilitation.

In the US, post-mining configuration of our project area is a key component in the initial design and layout of the operation. The land configuration, revegetation, and reforestation plans are carefully reviewed by foresters and biologists to ensure that the appropriate regional species are planted to promote renewable forests for continuation of the local timber industry following coal extraction.

| Metrics           | Total Area of disturbed land (ha) | Total Area of rehabilitated land (ha) | Area of disturbed land rehabilitated in 2019 (ha) |
|-------------------|-----------------------------------|---------------------------------------|---|
| <b>Curragh</b>    |                                   |                                       |   |
| 2019              | 7,294                             | 1,468                                 | 98  |
| 2018              | 7,226                             | 1,370                                 | 203   |
| <b>Greenbrier</b> |                                   |                                       |   |
| 2019              | 275                               | 461                                   | 105   |
| 2018              | 517                               | 368                                   | 11  |
| <b>Logan</b>      |                                   |                                       |   |
| 2019              | 527                               | 442                                   | 55  |
| 2018              | 345                               | 402                                   | 114   |
| <b>Buchanan</b>   |                                   |                                       |   |
| 2019              | 324                               | 11                                    | 1   |
| 2018              | 319                               | 28                                    | 10  |
| <b>Total</b>      |                                   |                                       |   |
| 2019              | 8,420                             | 2,382                                 | 259   |
| 2018              | 8,407                             | 2,168                                 | 338   |

## Rehabilitation



## Case Study: Mine Rehabilitation Reforms

Curragh focussed on key elements of the Queensland mining rehabilitation reforms the past year. We transitioned to the financial provisioning scheme, which commenced on 1 April 2019. We also started preparations for using the Estimated Rehabilitation Calculator and developing a Progressive Rehabilitation and Closure Plan. One of the objectives of the reforms is to improve rehabilitation of mined land on a progressive basis, rather than at mine closure.

Progressive rehabilitation at Curragh commenced in 1988 and a robust rehabilitation monitoring program has been in place since 2002. The past year, areas of

historical rehabilitation that are performing at a level adequate to enable Curragh to apply for progressive certification were identified and assessed using remote sensing, GIS analysis and field-based monitoring data. Historical information relating to rehabilitation monitoring conducted by the Centre for Mined Land Rehabilitation (2002–2016) has also been included in the review to help determine each rehabilitation area's performance towards achieving the rehabilitation completion criteria. Based on the results of the 2019 progressive rehabilitation monitoring program, a combined area of 75.4 hectares will be put forward for progressive certification in 2020.

## Water use

Water is one of our most important resources and is a critical factor at all coal handling preparation plants and in dust management systems for surface and underground operations. With this in mind, we strive to capture and recycle as much water as possible at all operations and diligently monitor the quality of the water we discharge to ensure that we meet our permitted water quality standards.

Coronado is in the process of reviewing the International Council on Mining & Metals' water stewardship framework. We are focussing on the following key elements of responsible water management:

- Proactive and inclusive engagement with other water users to understand their needs and priorities;
- Transparent public reporting on water usage, material water risks and performance; and
- Increasing efficiencies in the use of water (e.g. by maximising water recycling and reuse within mining operations).

The way we use water at each of our locations is influenced by local conditions such as the climate zone and weather.

Curragh has been an active member of the Fitzroy Partnership for River Health since 2012. The Partnership is a collective of government, agriculture, resources, industry, research and community interests across the Fitzroy Basin in central Queensland. It aims to provide a more complete picture of river health through data sharing arrangements. As a partner in this program, Curragh provides water quality, sediment and macroinvertebrate data for the River Health Report Card. We participate in the Regional REMP workgroup. In 2019, we started to attend the Nogo Mackenzie Irrigators Advisory Committee meetings to increase our knowledge of the needs and priorities of other water users in our area.

The following metrics provide an overview of water inputs, outputs and recycling. In 2019, 42% of all water used was fresh water (surface or ground water) while 58% was reclaimed or recycled water. The percentage of fresh water used in 2019 is significantly less than 2018. It should be noted that the increase in reclaimed water use is partially attributed to drought conditions at all operations and increased dust management requirements.

### Water Consumed



### Case Study: Review of water use at Curragh

We recognise that climate related risks could bring about changes in both the severity and frequency of extreme weather events such as droughts. To reduce vulnerability to such extreme climate conditions and effectively manage the risks, Curragh completed a review of water use and held a workshop to identify options for reducing the use of high-quality water on site. At the same time, we have increased our participation in external water stakeholder groups to improve our understanding of water in the regional context. We focussed on water conservation awareness across site; developed and implemented administrative controls; and commenced studies to determine water infrastructure requirements in the medium term and options to further increase the use of reclaimed water in the coal handling and preparation plant (CHPP). By December 2019, 67.4% of Queensland was drought declared, including the Central Highlands, and Fairbairn Dam recorded its lowest level since the dam was constructed in 1972. Curragh successfully implemented our new Drought Trigger Action Response Plan. These are small milestones in improving Curragh's resilience towards external climatic conditions. Our focus will be scoping staged infrastructure improvements to increase reclaimed water supply to the CHPP. Should this project be implemented it will improve the start-up time of the CHPP whilst reducing water use.

## Our Performance

| Metric            | Surface water (ML) | Ground water (ML) <sup>9</sup> | Discharged – to surface water or injected in wells (ML) | Recycled and reclaimed (ML) | Water intensity <sup>10</sup> |
|-------------------|--------------------|--------------------------------|---|-----------------------------|-------------------------------|
| <b>Curragh</b>    |                    |                                |   |                             |                               |
| 2019              | 2,101              | 4,510                          | 0   | 10,513                      | 529                           |
| 2018              | 2,423              | 3,424                          | 0   | 6,672                       | N/D                           |
| <b>Greenbrier</b> |                    |                                |   |                             |                               |
| 2019              | 0                  | 0.4                            | 89  | 279                         | 0.79                          |
| 2018              | 0                  | 324                            | 421   | 0                           | N/D                           |
| <b>Logan</b>      |                    |                                |   |                             |                               |
| 2019              | 1,349              | 31                             | 1,643   | 387                         | 516                           |
| 2018              | 1,454              | 27                             | 1,514   | 324                         | N/D                           |
| <b>Buchanan</b>   |                    |                                |   |                             |                               |
| 2019              | 169                | 327                            | 3,313   | 551                         | 111                           |
| 2018              | 160                | 338                            | 4,231   | 546                         | N/D                           |
| <b>Total</b>      |                    |                                |   |                             |                               |
| 2019              | 3,619              | 4,868                          | 5,045   | 11,730                      | –                             |
| 2018              | 4,037              | 4,113                          | 6,166   | 7,542                       | –                             |

## Tailings management

Tailings are what is left over after the process of separating saleable coal from the uneconomic materials. If not managed properly, tailings can have a damaging impact on the environment and the health and safety of our people and communities. We manage and monitor our Tailings Storage Facilities (TSF) in line with strict standards to ensure risks are effectively controlled to enable safe operations.

Coronado has nine TSF in total with four currently active. Of the six US facilities, three TSFs are operational, one at each division. Two of these facilities are high hazard impoundments; however, only one, our Buchanan Impoundment, is active. These TSFs are inspected by company personnel during each active shift, licensed impoundment inspectors on a weekly basis, and by state and federal agency inspectors at least quarterly. The on-going construction activities are closely monitored by Coronado personnel as well as regulatory authorities. In addition, inspection and subsequent certification is conducted by a registered professional engineer (RPE) on a quarterly basis with documentation submitted to the appropriate regulatory agency.

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Mining is much more than the extraction of raw materials – we can make a real difference by ensuring our operations are sustainable. Coronado provides thousands of jobs and supports regional communities, but we are also focused on minimising our environmental footprint and protecting cultural values.

99

## Elmien Ballot

Principal, Sustainability – Coronado Curragh

<sup>9</sup> Curragh ground water data – FY19 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.

<sup>10</sup> Total water use (excluding recycled divided by quantity of saleable coal produced).

The Australian operations have one active, one inactive in-pit, and one closed downstream tailing facility. The in-pit facilities are mined out pit voids which have been converted to a TSF. All facilities are registered regulated structures with a significant hazard rating based on assessment of failure event scenarios. The TSF is subjected to regular inspections by personnel responsible for water and tailings management, operational crews, geotechnical engineers and geologists as well as an annual inspection by a RPE.

During 2019, monitoring and inspection requirements were maintained, and there were no environmental incidents associated with spillage from, or failures of, our TSFs at any of our operations.

### Other Emissions

Coronado complies with regulatory limits and reporting requirements for all operations and monitors dust and other air pollutants. Curragh reports on the emissions of 30 substances to air, under the National Pollutant Inventory. The latest report released is available from <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>.

### Environmental Incidents

In 2019 Curragh reported five minor incidents to the Department of Environment and Science, Queensland. These events were investigated, and detailed reports were provided to the regulator including the causes and remedial measures implemented. None of the events resulted in environmental harm.

### Case Study: Buchanan Impoundment

The Big Branch Slurry Impoundment is located on Big Branch hollow near Oakwood, Virginia. The facility provides refuse disposal including coarse coal refuse and fine coal refuse for the Buchanan Mine. The refuse facility has been under construction since 1983 and Stage 6B was completed in 2019.

Construction plans for Stages 4 through 10 were submitted to the Mine Safety and Health Administration (MSHA) for review in 2008. Construction of Stages 6A and 6B were approved in April 2011 with a requirement for Coronado to collect and report monitoring data from instrumentation that was installed following Stage 6A construction. This data provided support for the approval of construction beyond Stage 6B. The instrumentation included extensometers to monitor ground movement and piezometers to monitor water levels inside the refuse structure. The data provided proof that the construction techniques (underdrains, barriers, refuse placement and compaction) provided in the construction plans worked successfully. The Stage 7 through 10 plans, along with this instrumentation data, were submitted to MSHA in March 2017. MSHA gave the plans to the Pittsburgh Safety and Health Technology Center Mine Waste and Geotechnical Engineering Division for review. A multi-agency field review of the refuse facility was conducted in January 2018. The plans and instrumentation documentation were extensively reviewed and approval of Stages 7 through 10 were recommended for approval in June 2018.

This typical history of plan review and approval for high hazard refuse facilities in the US demonstrates the extensive design, data collection, and review process associated with our TSFs.

“

The progressive rehabilitation of mined lands is incredibly important. Every such action, no matter how small, is a step towards restoring the land to the way it was before. I know that in addition to the jobs and community benefits, we have left behind a landscape that can support post-mine use.

”

**Leslie Lavender**  
Director, Environmental Services – Coronado US

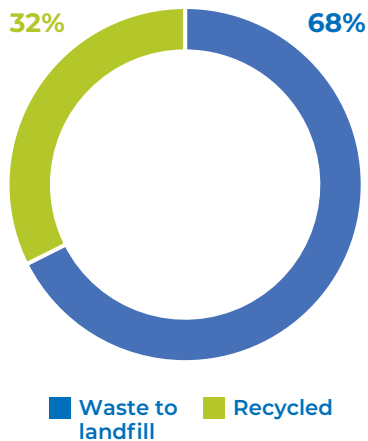
### Waste management

Non-mineral waste generated by Coronado includes general waste, regulated or hazardous waste including 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. Coronado stockpiled scrap metal at the various mine sites in 2019 due to low demand/low ferrous and nonferrous scrap metal prices which is likely to continue in first half of 2020.

| Metrics           | Waste to landfill (t) | Recycled (t) |
|-------------------|-----------------------|--------------|
| <b>Curragh</b>    |                       |              |
| 2019              | 4,597                 | 3,816        |
| 2018              | 3,492 <sup>11</sup>   | 6,262        |
| <b>Greenbrier</b> |                       |              |
| 2019              | 189                   | 250          |
| 2018              | 217                   | 179          |
| <b>Logan</b>      |                       |              |
| 2019              | 2,317                 | 249          |
| 2018              | 664                   | 692          |
| <b>Buchanan</b>   |                       |              |
| 2019              | 2,487                 | 301          |
| 2018              | 2,522                 | 875          |
| <b>Total</b>      |                       |              |
| 2019              | 9,590                 | 4,616        |
| 2018              | 6,917                 | 8,008        |



### Waste Management



<sup>11</sup> Curragh has identified additional waste for inclusion in the 2018 general waste value due to improved data collection processes and review.

# Climate Change



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We acknowledge that there is a large body of scientific data that suggests climate change is occurring, and that a contributing factor is greenhouse gases emitted by human activities.

This is a challenge faced by governments and sectors including mining, electricity generation, transport and agriculture. We recognise that the production and consumption of metallurgical and thermal coal produces greenhouse gas emissions and we are committed to working with other industry participants to support, develop and introduce new coal production and energy efficient technologies that help reduce carbon emissions while continuing to meet the growing demand for steel and energy globally.

Climate risks and opportunities increasingly form part of our strategic thinking and investment decisions. We monitor our emissions and we are investing in research and development to ensure we are well positioned for a transition to a low-carbon economy.

## Steel is essential to a low carbon economy

Climate change is a significant issue for the global steel industry. The industry has made significant reductions in GHG emissions by improving energy efficiency and using new technologies.

Steel is vital to meet society's needs for sustainable development and metallurgical coal is required for the manufacture of coke, the reducing agent in blast furnaces to produce pig iron, one of the components of steel.

Almost everything that is consumed is either made from or manufactured using equipment made from steel, including renewable power generation facilities. The chemistry of steelmaking means it is a carbon-intensive industry however, steel also has a significant role to play in the transition to a low-carbon economy.

Steel is completely recyclable and recycling accounts for a significant reduction in carbon emissions, energy and raw material usage from the steel life cycle. The industry promotes the uses of co-products from the steel production process such as blast furnace slag in the cement industry and it has reduced its energy consumption per tonne of steel produced by 61% over the past 50 years. Further improvement is likely to come from breakthrough technology developments<sup>12</sup>.

The way customers source and procure raw and recycled material is key to ensuring the resilience of metallurgical coal in a low carbon economy. A combination of scrap-based steelmaking and the production of new virgin steel will be required to meet increasing demand. As low emission steel making technologies are in the early stages of development and commercialisation, Coronado's role is pivotal in meeting this demand.

## Greenhouse gas emissions

While our operations are recognised as an essential services, we acknowledge that our mining activities create GHG emissions. Where possible, we are continuing to identify and implement GHG emissions and energy reduction opportunities across our business. Monitoring climate related risks and the sustainability of our operations has become a key strategic focus for Coronado.

Curragh's GHG scope 1 and 2 emissions are disclosed annually to the Clean Energy Regulator (CER) in accordance with the requirements of the National Greenhouse and Energy Reporting Scheme (NGERS). Coronado's US Operations disclose GHG scope 1 and 2 emissions, including fugitive emissions (methane), for the facilities required to report their emissions annually to the United States Environmental Protection Agency<sup>13</sup>. Fugitive emissions for the US Operations have been included for the first time in 2019 reporting due to improvements in data capture processes. Coronado continues to work on improving the measurement and reporting of GHG emissions.

At Curragh, emission reduction initiatives currently focus on operational energy consumption, such as improving the efficiency of materials movement and reducing diesel and electricity usage. We are also investing in a solar plant feasibility study and researching alternatives for coal seam gas including extraction and power generation.

Our scope 1 and 2 emissions (operational emissions) in 2019<sup>14</sup> totalled 2.98 million tonnes of carbon dioxide equivalent (CO<sub>2</sub>e). The latest NGERS data for the Australia operations is available from <http://www.cleanenergyregulator.gov.au/NGER/>. The latest Greenhouse Gas Reporting Program (GHGRP) data for US operations is available from <https://www.epa.gov/ghgreporting>.

The greenhouse gas emissions data for the US operations is a calendar year and fiscal year of data for the period 1/01/19 to 31/12/19, the exception being the GHGRP data, over the most recent (2018) reporting period. The Curragh data below is over the NGERS data for the fiscal year 1/07/18 – 30/06/19 as reported to the Clean Energy Regulator, Australia.

We continue to work on implementing an emissions monitoring plan across all operations to consistently measure the most material GHG emissions and identify trends and drive internal change. This will assist us with our response to the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), to closely monitor our emissions against the applicable safeguard baseline level, and work towards reducing GHG emissions.

Coronado's core business is metallurgical coal production. In 2019, we suspended the Toney Fork surface mine (part of the Logan Complex in the United States), our only dedicated thermal coal mine in the Company. Curragh also produces high quality thermal coal for the Stanwell Power Station in Queensland, Australia (owned by the Queensland Government) which has generation capacity of 1460 megawatts (MW) and supplies electricity to the National Electricity Market (NEM).

<sup>12</sup> World Steel Association: [https://www.worldsteel.org/World Steel Position Paper 2020](https://www.worldsteel.org/World%20Steel%20Position%20Paper%202020) "Steel's contribution to a low carbon future and climate resilient societies".

<sup>13</sup> Buchanan Mine and Lower War Eagle Deep Mine (one of the four underground mines of the Logan complex) are required to report methane emissions to the EPA.

<sup>14</sup> US Operations – Scope 1 include diesel usage and fugitive emissions for all mines except mines not required to report methane by the EPA i.e. three of the Logan underground mines and Greenbrier. Oils and grease and other emissions from industrial processes at all mines are excluded. Scope 2 includes electricity usage.

| Our Performance Metrics | Scope 1 (tCO <sub>2e</sub> ) | Scope 2 (tCO <sub>2e</sub> ) | Energy produced – Met coal (GJ) | Energy produced – Thermal coal (GJ) | GHG emissions intensity (tCO <sub>2e</sub> /t coal) <sup>15</sup> |
|-------------------------|------------------------------|------------------------------|---------------------------------|-------------------------------------|---|
| <b>Greenbrier</b>       |                              |                              |                                 |                                     |   |
| 2019                    | 24,831 <sup>16</sup>         | 11,671                       | 16,644,264                      | -                                   | 0.07  |
| 2018 <sup>17</sup>      | 29,271                       | 12,998                       | 19,135,367                      | 452,061                             | 0.06  |
| <b>Logan</b>            |                              |                              |                                 |                                     |   |
| 2019                    | 187,999 <sup>16</sup>        | 51,713                       | 56,825,293                      | 21,073,889                          | 0.09  |
| 2018 <sup>18</sup>      | 46,347                       | 55,347                       | 55,251,551                      | 20,894,278                          | 0.04  |
| <b>Buchanan</b>         |                              |                              |                                 |                                     |   |
| 2019 <sup>19</sup>      | 1,796,903 <sup>16</sup>      | 133,544                      | 134,449,106                     | -                                   | 0.45  |
| 2018                    | 5,802                        | 136,434                      | 141,206,250                     | -                                   | 0.03  |
| <b>Curragh</b>          |                              |                              |                                 |                                     |   |
| 2019                    | 563,919                      | 212,942                      | 270,883,260                     | 89,232,138                          | 0.06  |
| 2018                    | 580,774                      | 203,611                      | 254,413,080                     | 96,917,256                          | 0.06  |

### Case Study: Buchanan Mine Degasification

The Pocahontas No. 3 Seam of coal mined by the Buchanan mine is some of the best quality metallurgical coal in the world. This seam lies in an area of deep cover, ranging from 1200 to 1800 feet. Due to the depth of cover the seam contains a significant amount of methane. For the seam to be mined, it must be degassed in advance of mining. Degasification is conducted by drilling wells two to three years in advance of mining and hydraulically fracturing the coal to release the methane. The gas is recovered through a system of pipelines and is cleaned and sold as natural gas for commercial use. During the mining process, gob wells are drilled above the coal seam and methane is recovered, cleaned and sold as commercial natural gas. The remaining methane released during the mining process is ventilated to the atmosphere through a system of large bleeder fans.

The gas collected from all wells is piped to booster stations and compressor stations where it is metered. Through this metering, the quantity of gas produced from the mine degasification system can be measured and reported.

The ventilation fans are sampled on a quarterly basis by the Mine Safety and Health Administration (MSHA). MSHA collects bottle samples and mine engineers measure the quantity of air the fans emit. The bottle samples that MSHA collects are analysed by their lab and the results are combined with the airflow quantities to determine the quantity of methane emitted. These results are then reported.

The Buchanan Mine is currently working on Ventilation Air Methane (VAM) technology that can be installed adjacent to the bleeder fans to utilize a thermal oxidation process to abate these methane emissions. Two of the mine bleeder fans are being targeted for this technology.

<sup>15</sup> GHG emissions intensity = Total Scope 1 and 2 emissions divided by total fiscal year coal production in metric tonnes.

<sup>16</sup> US Operations – Scope 1 emissions include diesel usage and fugitive emissions for all mines except mines not required to report methane by the EPA i.e. three of the Logan underground mines and Greenbrier. Oils and grease and other emissions from industrial processes at all mines are excluded. Fugitive emissions for mines that trigger the EPA reporting threshold have been included in 2019 data for the first time due to improved data capture processes. Scope 2 emissions include electricity usage purchased off the grid.

<sup>17</sup> CY18 Energy produced – Greenbrier – met coal value has been re-stated from 637,845 to 19,135,357 GJ and thermal coal value for has been re-stated from 16,743 to 452,061 GJ. Data correction from previous period reporting.

<sup>18</sup> CY18 Energy produced – Logan – met coal value has been re-stated from 1,841,718 to 55,251,551 GJ and thermal coal value for has been re-stated from 773,862 to 20,894,278 GJ. Data correction from previous period reporting.

<sup>19</sup> CY18 Energy produced – Buchanan – met coal value has been re-stated from 4,706,875 to 141,206,250 GJ. Data correction from previous period reporting.



## Low Emissions Technologies

Coronado is monitoring technologies that have the potential to decarbonise the steel production process. Whilst a range of competing technologies are currently in development, a viable option is unlikely to be commercially practical in the short to medium term. Some of the technologies being developed in the global market include:

- Alternative reductants such as natural gas, biomass gas, hydrogen, direct electrolysis
- Carbon Capture and Storage (CCS) and Carbon Capture and Utilisation (CCU); and
- Waste Heat Energy Recovery (WHER) technologies.<sup>20</sup>

In 2019, the HYBRIT Project in Sweden started to build a pilot plant to test the production of fossil free pellets using hydrogen instead of coke<sup>21</sup>. The industry has seen further development in implementation of low emissions technology with ThyssenKrupp Steel's announcement of a series of tests into the use of hydrogen in a working blast furnace<sup>22</sup>. A subsidiary of China's Baowu Steel Group in partnership with Linde also created a hydrogen project to accelerate the transition to decarbonised steel manufacturing.<sup>23</sup>

The demand for metallurgical coal over the medium (15 years) and longer-term in traditional steel blast furnaces is likely to continue while commercial viability and other challenges associated with the manufacturing, safe use and storage of hydrogen are addressed:

- Hydrogen based technologies are experimental and not yet operationally safe or commercial.

- Transitions costs are high i.e. modifications of existing plants and development of hydrogen production and storage infrastructure.
- The high cost of green hydrogen is estimated to result in an increase of 20-30% and up to 60-90% in the cost of steel.<sup>24</sup>
- Due to past safety incidents, such as the Boodarie Iron Project, hydrogen is perceived as dangerous due to it being highly flammable and explosive.<sup>25</sup>

We also consider how low emissions technology can be adopted and adapted to suit our own operations. Current work focusses on the potential to integrate renewable energy into our Australian operations at Curragh.

In 2019, we engaged a consultant to evaluate the feasibility, costs and prices and identify the underlying opportunities and constraints for a "behind the meter" type solar farm at Curragh Mine. This has since expanded to include a more detailed feasibility study for a potential solar farm installation.

Coronado provides funding to the Australian Coal Industry's Research Program (ACARP) which supports research into aspects of the production and utilisation of black coal including emerging technologies in the health, safety and environment spaces. This includes research on mine site GHG mitigation such as ventilation air methane (VAM) abatement technology.

We also participate in the Australian Coal Association's COAL21 Program, which invests in research to minimise emissions from coal-fired power production and develop carbon capture and storage to support cost-effective, reliable and cleaner energy. To find out more visit <https://coal21.com/>.

<sup>20</sup> <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.

<sup>21</sup> <http://www.hybritdevelopment.com/articles/three-hybrit-pilot-projects>

<sup>22</sup> <https://www.thyssenkrupp.com/en/newsroom/press-releases/world-first-in-duisburg-as-nrw-economics-minister-pinkwart-launches-tests-at-thyssenkrupp-into-blast-furnace-use-of-hydrogen-17280.html>

<sup>23</sup> <https://www.world-energy.org/article/4494.html>; <https://www.linde.com/news-media/press-releases/2019/linde-signs-mou-with-baowu-clean-energy-to-further-develop-china-s-hydrogen-market>

<sup>24</sup> <http://ectttd.com.au/green-steel-articles-omit-cost/>; <https://wattsupwiththat.com/2019/01/01/climate-change-friendly-green-steel-society-would-have-to-accept-higher-costs/>

<sup>25</sup> <https://www.weforum.org/agenda/2019/04/why-don-t-the-public-see-hydrogen-as-a-safe-energy-source/>; <https://www.nrel.gov/docs/fy15osti/60948.pdf>; <https://www.bhp.com/-/media/bhp/documents/investors/news/hbifactsheet.pdf?la=en>

# Financial Performance<sup>26</sup>



Coronado's financial performance is the foundation for sustained economic growth.

Coronado has high quality operational assets, a low-cost operating structure, low leverage, and a disciplined approach to investment decisions and capital expenditure.

The Company's culture of accountability emphasises the efficient use of resources, rigorous cost control, optimisation of assets, and prudent economic management through commodity cycles. These factors enhance the business to the long-term benefit of our stakeholders, including shareholders, employees and the communities where we operate.

Over 2019 and into 2020, Coronado's resilience has been evident in the face of numerous external challenges, and this is a defining feature of what sets us apart from our peers. Our solid financial base has allowed us to weather the adverse impacts of the commodity cycle and puts us in very strong standing relative to competitors.

Despite a volatile commodity environment which experienced a collapse in metallurgical coal prices during the second half of 2019, we increased EBITDA by 5.9% to \$634.2 million on similar levels of production and sales volume as the year prior.

The efficient use of capital is central to our approach to financial management and in the short space of time since listing on the ASX in October 2018, we have returned \$720 million to shareholders through dividends and capital returns.

Supporting Coronado's working capital needs is a credit facility which has been put in place under competitive terms, reflecting Coronado's disciplined approach to manage borrowings as well as our level of gearing which remains lower than our peers.

<sup>26</sup> Amounts shown in US\$ million unless otherwise stated.

### Key Statistics (FY19)

**30.8 Mt**  
ROM Production

**20.2 Mt**  
Saleable Production

**12.5 Mt**  
Saleable Production at Curragh

**19.9 Mt**  
Sales Volume

**\$2,216 M**  
Revenue

**\$634.2 M**  
Adjusted EBITDA

**80.9%**  
Increase in Net Income after Tax to \$305.5 M

**8.2%**  
Reduction in Mining Costs per tonne sold to \$51.8 per tonne

**\$720 M**  
Distributions Paid since October 2018 listing

### Why generating economic value for our stakeholders matters

As a leading supplier of metallurgical coal, Coronado plays an important role in the global steel supply chain for a geographically diverse group of customers and stakeholders.

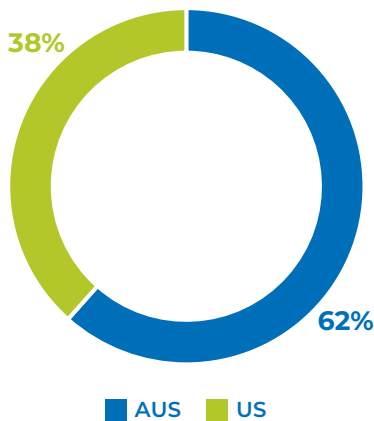
Coronado produces a range of metallurgical coals from its US and Australian operations that have favourable characteristics for metallurgical coal, a primary ingredient in the manufacture of steel which is one of the most widely used and sustainable building materials.

As the demand for steel goes hand-in-hand with global economic and social growth, Coronado is a key contributor to many economies around the world, particularly export destinations in Asia, Europe and the Americas. Exports in 2019 comprise 75.7% of Coronado's annual saleable production.

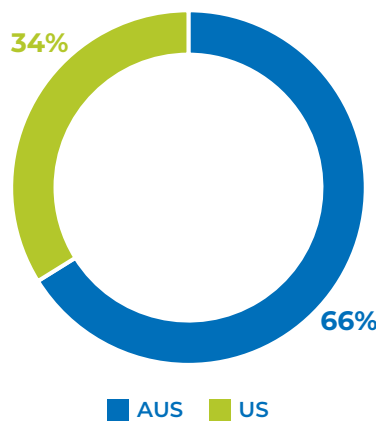
In addition to benefitting our customers and the end users of their steel products, Coronado also provides direct and lasting benefits to our employees and their local communities.

Coronado's ability to continue delivering benefits to customers and stakeholders is underpinned by our sustainable approach to business, as well as significant economic coal reserves which are expected to last for many decades to come.

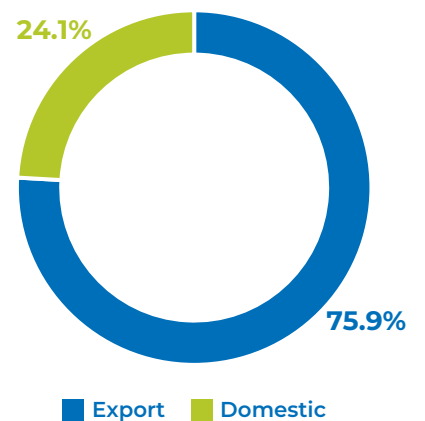
**Total Production**  
20.2Mt



**Total Revenue**  
US\$2,215.8m



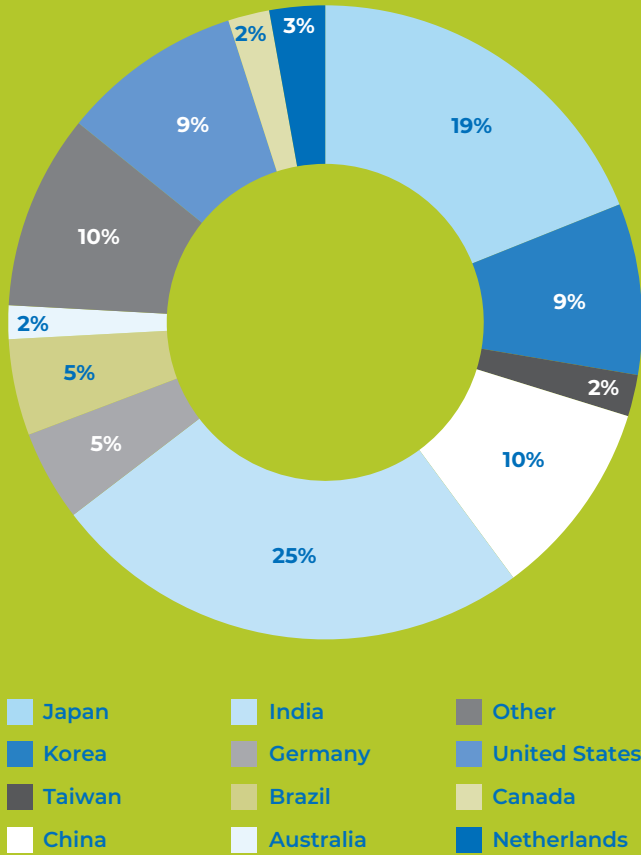
**Export Sales Ratio**  
%



## Coronado's Global Reach

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

### Total Sales by Region

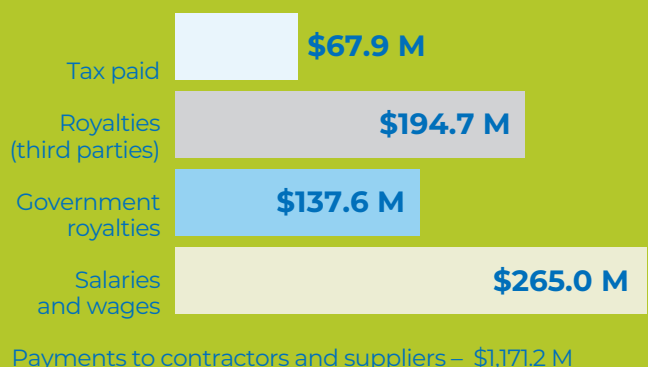
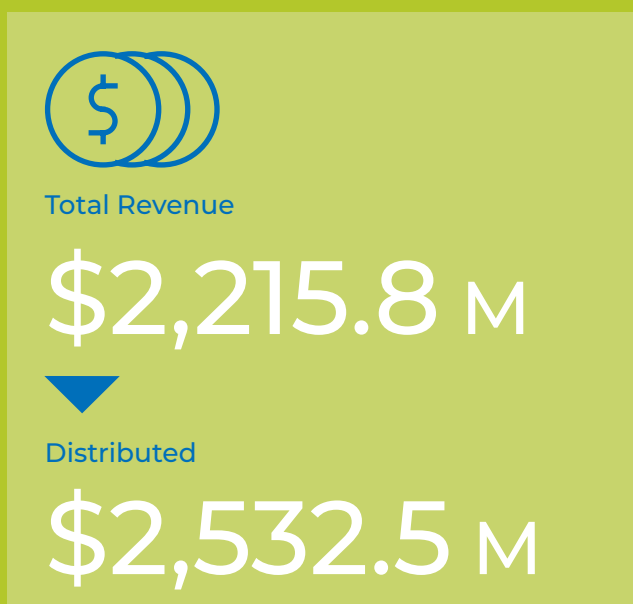


Coronado is a key contributor to many economies around the world, particularly export destinations in Asia, Europe and the Americas.



## Our Performance

Coronado's total economic contribution<sup>27</sup>



### FY19 Cash Distributions to Security Holders

\$696.1 M

<sup>27</sup> Tax Paid, Salaries and Wages, and Payments to Contractors and Suppliers are provided on a cash basis. Tax Paid excludes GST.

# Limited Assurance Report



## Independent Limited Assurance Statement to the Management and Directors of Coronado Global Resources Inc.

### Our Conclusion

Ernst & Young ('EY', 'we') was engaged by Coronado Global Resources Inc. ('Coronado') to undertake 'limited assurance' as defined by Australian Auditing Standards, hereafter referred to as a 'review', over selected non-financial disclosures prepared by Coronado in its '2019 Sustainability Report' ('the Report') for the calendar year ended 31 December 2019. Based on our review, nothing came to our attention that caused us to believe that the selected non-financial disclosures have not been prepared and presented fairly, in all material respects, in accordance with the criteria defined below.

### What our review covered

We have carried out a limited assurance engagement over selected non-financial disclosures prepared by Coronado in its 2019 Sustainability Report for the year ended 31 December 2019.

### Subject Matter

The Subject Matter for our limited assurance engagement included selected non-financial disclosures, limited to those aspects listed below, for the year ended 31 December 2019, 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 the Australia operations only are reported for the financial year ended 30 June 2019.

**Table 1: Selected Performance Data for Australia**

| Performance Data  |
|---|
| <b>Environment</b> <ol style="list-style-type: none"> <li>Scope 1 greenhouse gas (GHG) emissions, being 563,919 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>-e)</li> <li>Scope 2 GHG emissions, being 212,942 tCO<sub>2</sub>-e</li> <li>Total energy production, including saleable metallurgical and thermal coal, being 360,115,398 GJ</li> <li>Total waste to landfill, being 4,597 metric tonnes</li> <li>Total waste recycled, being 3,816 metric tonnes</li> <li>Total surface water consumption, being 2,101 megalitres</li> <li>Total water recycled, being 10,513 megalitres</li> </ol> |
| <b>Safety</b> <ol style="list-style-type: none"> <li>Total Recordable Injury Frequency Rate (TRIFR), being 6.55</li> </ol>  |
| <b>People</b> <ol style="list-style-type: none"> <li>Female managers (% of headcount), being 26% of total managers</li> <li>Age diversity for all employees (% of total by age bracket), being 11% &lt;30 years; 52% 30-49 years; and 37% &gt;50 years</li> <li>Age diversity for all managers (% of total by age bracket), being 3% &lt;30 years; 69% 30-49 years; and 28% &gt;50 years</li> <li>Total staff turnover (%) being 13%</li> <li>Voluntary staff turnover (%) being 8%</li> </ol>  |
| <b>Community</b> <ol style="list-style-type: none"> <li>Community expenditure being \$399,774 AUD</li> <li>Local employees for Blackwater (% of total headcount), being 56%</li> </ol>  |

**Table 2: Selected Performance Data for the United States, in aggregate**

| 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 2,009,733 tCO<sub>2</sub>-e</li> <li>Scope 2 GHG emissions, being 196,928 tCO<sub>2</sub>-e</li> <li>Total energy production, being 228,992,552 GJ</li> <li>Total general (non-coal) waste to landfill, being 4,993 metric tonnes</li> <li>Total waste recycled, being 800 metric tonnes</li> <li>Total surface water consumption, being 1,518 megalitres</li> <li>Total water recycled, being 1,217 megalitres</li> </ol> |
| <b>Safety</b> <ol style="list-style-type: none"> <li>Total Recordable Incident Rate (TRIR), being 2.14</li> </ol>  |
| <b>People</b> <ol style="list-style-type: none"> <li>Female managers (% of total headcount), being 11%</li> <li>Age diversity for all employees (% of total by age bracket), being 11% &lt;30 years; 58% 30-49 years; and 31% &gt;50 years</li> <li>Age diversity for all managers (% of total by age bracket), being 0% &lt;30 years; 47% 30-49 years; and 53% &gt;50 years</li> <li>Total staff turnover (%) being 18%</li> <li>Voluntary staff turnover (%) being 12%</li> </ol>  |
| <b>Community</b> <ol style="list-style-type: none"> <li>Community Expenditure being \$524,017 USD</li> <li>Local employees for Greenbrier (% of total headcount), being 48%</li> <li>Local employees for Logan (% of total headcount), being 45%</li> <li>Local employees for Buchanan (% of total headcount), being 57%</li> </ol>  |

The Subject Matter did not include:

Data sets, statements, information, systems or approaches other than the non-financial performance data specified in Tables 1 and 2; and neither Management's forward-looking statements nor any comparisons made against historical data.



### Criteria applied by Coronado

In preparing the selected non-financial disclosures, Management determined the reporting criteria as set out in:

- ▶ The National Greenhouse Gas and Energy Reporting Act 2007 for Scope 1 and 2 greenhouse gas data related to the Australia operations,
- ▶ Coronado's own reporting criteria (as established and set out in Coronado's internal policies and procedures).

### Key responsibilities

#### EY's responsibility and independence

Our responsibility is to express a conclusion on the selected non-financial disclosures, based on our review. We are also responsible for maintaining our independence and confirm that we have met the requirements of the *APES 110 Code of Ethics for Professional Accountants*, and that we have the required competencies and experience to conduct this assurance engagement.

#### Coronado's responsibility

Coronado's Management is responsible for selecting the Criteria, and for preparing and fairly presenting the Subject Matter in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

### Our approach to conducting the review

We conducted this review 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 well as the terms of reference for this engagement as agreed with Coronado.

### Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the selected non-financial disclosures and related information and applying analytical and other review procedures.

Our procedures included:

- ▶ Conducting interviews with key personnel to understand the process for collecting, collating and reporting the selected non-financial disclosures during the reporting period
- ▶ Gaining an understanding of the basis for calculating and reporting GHG emissions
- ▶ Checking that the calculation criteria had been applied in accordance with the methodologies outlined in Coronado's criteria
- ▶ Undertaking analytical review procedures to support the reasonableness of the data
- ▶ Identifying and testing assumptions that supported calculations
- ▶ Checking emissions factors and considered their consistency with the reporting criteria
- ▶ Testing, on a sample basis, to underlying source information to check the accuracy of the data
- ▶ Reviewing the presentation of the information in Coronado's 2019 Sustainability Report.

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

### Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing, 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.

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. Further, our procedures did not include testing controls or performing procedures relating to checking the aggregation or calculation of data within IT systems.



### Use of our Assurance Statement

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.

A handwritten signature in black ink that reads 'Elizabeth Rose'.

Elizabeth Rose  
Partner  
Brisbane, Australia  
22 May 2020

The logo for Ernst &amp; Young, featuring the company name in a stylized, handwritten-style font.

Ernst & Young

# Glossary

|  |   |
|--|---|
| ASX  | Australian Securities Exchange  |
| 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   |
| CPP  | Coal preparation plant  |
| EBITDA   | Earnings before interest tax depreciation and amortisation  |
| FOB  | Free onboard in the vessel at the loading port  |
| FOR  | Free onboard Rail in the railcar at the mine  |
| Fugitive emissions                                   | Estimated emissions that typically result from leaks from pumps, pipes and valves, coal seam methane or vapours emitted when large hydrocarbon storage tanks are filled   |
| GOB (wells)  | A drilled well or vent hole capable of producing coalbed methane from a de-stressed zone associated with any full seam extraction of coal   |
| 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<br>Scope 1: direct emissions of greenhouse gases from combustion of fuel, industrial processes, refrigerant gases and coal seam methane<br>Scope 2: emissions created by others, e.g. generating electricity used by Coronado<br>Scope 3: indirect emissions (directly emitted by suppliers to, or customers of Coronado) |
| Greenhouse Gas Reporting Program (GHGRP)             | The GHGRP requires reporting of greenhouse gas (GHG) data and other relevant information from large GHG emission sources in the United States (US) under a rule published by the US Environmental Protection Agency (EPA) for facilities emitting 25,000 metric tons or more of CO <sub>2</sub> -e per year   |
| ha   | Hectares, a metric unit of square measure, equalling 2.47 acres   |
| HCC  | Hard coking coal  |
| 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:<br>Waste rock is composed of soils or rock (overburden) that must be removed to uncover or access coal during mining<br>Tailings consist of fines (crushed rock and coal) mixed with process chemicals and water that remains after the saleable coal has been extracted  |
| 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   |
| PCI  | Pulverised coal injection   |
| 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 as 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)  |



