



Sustainability Report 2020

A comprehensive
approach to
sustainability.



Whitehaven Coal is proud to be the leading Australian producer of premium-quality coal. We are the dominant player in Australia's only emerging high-quality coal basin. We help power developed and emerging economies in Asia where there is strong and growing demand for our product, particularly for use in high-efficiency, low-emissions coal-fired power stations.

Our purpose as a company is to support and sustain regional communities by exporting high-quality thermal and metallurgical coal from Australia to the world. North West NSW is the focus of our capital investment and workforce presence.

We operate four mines (three open-cut and one large underground mine) in the Gunnedah Coal Basin of NSW. Our operating assets are complemented by two high-quality, near-term development assets, being Vickery, near Gunnedah, and Winchester South, in Queensland's Bowen Basin. Over our almost 20-year history, including 12 years as a publicly-listed entity on the Australian Securities Exchange, we have developed a growing reputation for excellence in project delivery, safe operation, and targeted investment in the local economy and community.

We are proudly local, and around 75% of our 2,500-strong workforce lives in the local communities around our mine sites. We believe in helping communities grow, ensuring benefits flowing from our operations are seen and felt locally.



This report includes forward looking statements relating to future events and expectations.

While these statements reflect expectations at the date of this publication, they are, by their nature, not certain and are subject to known and unknown risks.

Whitehaven makes no representation, assurance or guarantee as to the accuracy or likelihood of fulfilling any such forward looking statements (whether express or implied) and, except as required by applicable regulations or law, Whitehaven does not undertake to publically update such forward looking statements.

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Sustainability highlights FY20

1.5 cents per share returned to shareholders

\$365.4 million spent with local suppliers

75% of 2,500-strong workforce based in regional areas

103 hectares of land rehabilitated on mine sites

20.2Mt of high-quality coal exported to customer countries

9% of workforce identifies as Aboriginal or Torres Strait Islander

\$411,900 in community partnerships and donations

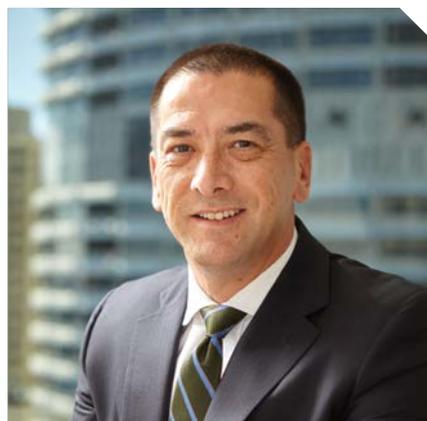
4.13 record low injury frequency rate





About us.

Managing Director and CEO's message



Dear stakeholder

I am pleased to present Whitehaven Coal's *Sustainability Report 2020*.

Sustainable development underpins everything we do at Whitehaven. As a proudly Australian company, we believe we have a key role to play in helping regional communities to grow and prosper.

We understand mining to be much more than just an industrial process. Instead, mining is an enterprise that offers an opportunity to change people's lives for the better.

Whether by providing meaningful and rewarding employment, supporting local suppliers, or finding ways to empower young Indigenous women and men, we are proud of our positive and enduring impact.

Our sustainability reporting looks to tell this story for our many different stakeholders in an open and accessible way. It highlights our significant contribution to regional social and economic development and provides clear, meaningful disclosure around our material sustainability risks and opportunities.

Looking back, this year has been an unusually difficult one in having to confront the twin challenges of drought and the COVID-19 pandemic. The pressures of both events once again underscored our role as a positive counterweight in the local economy, keeping people in jobs and business turning over.

As always, the safety of our people, workplaces and communities is our first priority. In FY20, we continued to improve our safety performance, reaching a Total Recordable Injury Frequency Rate of 4.13, a record low in our history. This is a significant achievement, but we continue to guard against complacency and work towards Zero Harm.

Environmental compliance is an area where we must address some more recent shortcomings. While our year-on-year record of environmental compliance is good considering the growing scale of the business, FY20 outcomes did not reflect our own expectations or what our community and other stakeholder groups deserve. While actual environmental harm arising from these non-compliances was minimal, any instance of non-compliance is cause for concern. Improvement in the administrative aspects of environmental compliance in particular is essential to maintaining our social licence to operate and meeting the high standards required in the Australian resources sector.

Finally, we acknowledge continuing and growing interest, particularly within the investment community, in our perspectives on climate change. Once again, we have reported against the voluntary recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures.

We were the first pure-play coal company in the world to conduct and publicly release this type of reporting in 2019 and our analysis once again confirms the resilience of our operating asset portfolio. We remain confident about the role high-quality coal and low emissions technology will play as part of global efforts to reduce atmospheric carbon, but we also know we must continue to work hard to communicate these aspects to investors, banks and other key stakeholders.

We received a significant volume of constructive feedback following the release of our inaugural Sustainability Report in 2019, some of which has been incorporated into this year's publication. We value this feedback and see Whitehaven as having a strong and continuing role in providing balance and context in the ongoing discussion about the energy transition.

Let me take this opportunity to thank all our stakeholders for their continued engagement and invite you to share your feedback by writing to sustainability@whitehavencoal.com.au.

A handwritten signature in black ink, appearing to read 'Paul Flynn'. The signature is stylized and cursive.

Paul Flynn
Managing Director and CEO

Purpose, vision and principles

Purpose

To support and sustain regional communities by exporting high-quality thermal and metallurgical coal from Australia to the world.

Vision

To be the benchmark coal investment on the ASX.

Principles

The following principles guide our interactions internally and with external stakeholders.



Safety

The safety of our people, workplaces and the communities around us comes first. We are committed to Zero Harm.



Teamwork

We work collaboratively and support one another.



Respect

We foster a diverse and inclusive culture and deal with all stakeholders respectfully.



Integrity

We are honest and do the right thing.



Value

We create value for shareholders, customers and local communities.



Excellence

We deliver on our commitments.



How we create value

Business inputs

- Assets:** We are the dominant player in Australia's only emerging high-quality coal basin with a footprint in one of Australia's highest quality metallurgical coal basins. Our mine assets are complemented by a large fleet of heavy mining equipment in addition to mine support infrastructure and rolling stock.
- People:** To ensure we optimise our physical assets, we seek to attract, recruit and retain the technical, specialist and central office staff with the skills to support the needs of the business today and into the future.
- Financial:** We deploy our financial resources carefully to maintain our reputation as a reliable and cost-efficient producer focused on delivering value for all our shareholders over the long term. Our disciplined capital allocation approach keeps our balance sheet strong and provides flexibility through the cycle.

Governance and reporting framework

We seek to design and implement corporate governance and management arrangements to manage our exposure to political and regulatory risks and to observe best-practice management measures in relation to health, safety, stakeholder engagement and business integrity.

Our value proposition

We identify, develop and operate high-quality, cost-efficient, long-life coal assets and distribute the financial and non-financial returns to shareholders, employees, customers and the communities where we work and live.

Our business focus

We seek to ensure continuous and sustainable value creation by applying our human and financial capital to the following key areas.

- **Customers:** We form long-term relationships with our customers to provide raw materials that support the efficient utilisation of industrial assets including coal-fired power plants and steel blast furnaces.
- **Infrastructure and logistics:** We have supply agreements with Australian businesses focused on the efficient movement of our product, contributing to shared sustainability goals through our value chain.
- **Community:** We work with local councils, business groups, the agricultural sector, charitable organisations and a range of local service providers to share the economic and social dividends of mining and maintain our social licence to operate.
- **Procurement:** We are firmly oriented towards working with regionally based suppliers in recognition of the contribution of local enterprise to long-term community prosperity and cohesion.
- **Environment:** We are responsible stewards of the natural environment, and maintain strong sustainability practices through each stage of the mining process, from development to operations, closure and rehabilitation.
- **Industry:** We are members of various industry associations and participate in policy forums on issues associated with ensuring Australia's resource endowment can better support sustainable development here and abroad.

Business outputs

Employees

We provide skills development pathways and stable regional employment in a safe and rewarding work environment.

Community

We support local communities through direct investment, job creation, partnerships with local suppliers and working with community groups.

Customers

We offer a reliable supply of high-quality coal to support economic and social development in the Asian region.

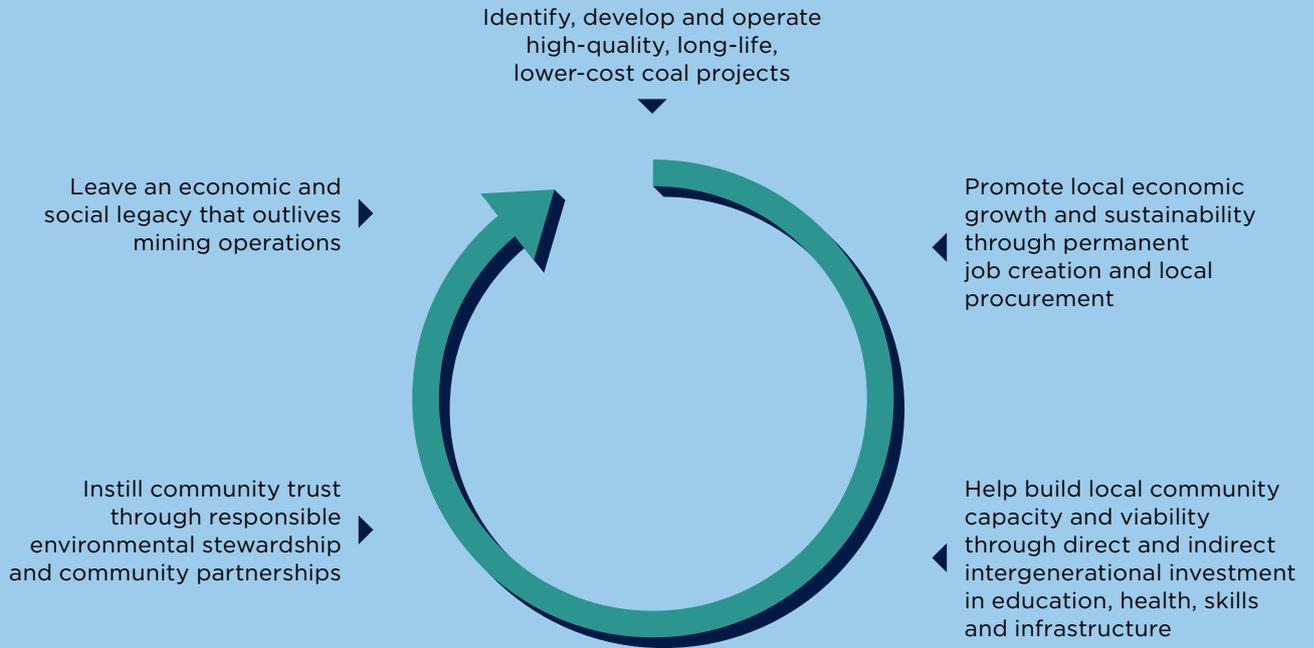
Investors

We aim to provide strong and consistent returns to shareholders and joint venture partners from our existing portfolio of mines with upside potential from key growth assets.

FY20 value created

- | | | | |
|---|---|---|--|
| <ul style="list-style-type: none"> - Approximately 75% of our 2,500-strong workforce based in regional areas - \$209.1 million in wages paid - 9% of workforce identifies as Indigenous. | <ul style="list-style-type: none"> - \$365.4 million spent with local suppliers - \$3.15 million spent with nine Indigenous businesses - Supported the Narrabri Clontarf Academy and the Girls' Academy at Gunnedah. | <ul style="list-style-type: none"> - Exported 20.2Mt of high-quality thermal and metallurgical coal - Supported emission improvement initiatives by supplying high-CV, low-impurity coal to help reduce absolute coal consumption in Taiwan, and meet Korean seasonal sulphur content limits. | <ul style="list-style-type: none"> - 1.5 cents per share returned to shareholders through dividends - Total shareholder return of 66% over the past four years - \$306 million in underlying earnings before interest, tax, depreciation and amortisation (EBITDA). |
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Our community and social compact





Our
strategy.

Our vision is to be the benchmark coal investment on the ASX.

Our strategy is to own and operate large, lower-cost mines producing a mix of high-CV thermal coal and premium semi-soft coking coal, and to increase our share of the growing market for these products in our region.

Our framework to deliver on our strategy is focused on seven key areas.

<p>Disciplined growth and capital management</p> <p>Towards a bigger, more productive Whitehaven</p>	<p>We have invested in high-quality, large-scale, long-life assets that allow the business to efficiently manage the cyclical nature of the commodities sector.</p> <p>We expect to grow our portfolio from a managed level of approximately 21Mt in 2020 to over 40Mt by 2030.</p> <p>As some of our smaller foundation mines reach the end of their lives, our business is oriented towards scaling-up larger existing operations and delivering on our key development assets, Vickery and Winchester South.</p> <p>Maintaining capital discipline and a focus on productivity gains over an expanding production base will continue to drive returns for shareholders.</p>
<p>Investing in our talent pipeline</p> <p>Attracting and retaining the right people</p>	<p>Our track record of growth and our strong development pipeline make us an attractive employer for committed and motivated people who value being a part of a community and achieving goals. As the largest private employer in North West NSW, we will continue to communicate the benefits of our regional location – and that of our development site in Queensland’s Bowen Basin – to attract talent to support high performance and further expansion.</p>
<p>Latent capacity</p> <p>Unlocking future value</p>	<p>We are actively assessing and pursuing opportunities to access latent capacity in our mines through upgrades to mobile equipment as well as fixed infrastructure. These opportunities help us realise the full extent of the resources at our mines and enable us to do more with less.</p>
<p>Premium products for premium markets</p> <p>Leveraged to the quality end of the spectrum</p>	<p>The supply of high-energy, low-ash and low-sulphur coal globally is constrained but, at the same time, demand for coal with these attributes is increasing in a world seeking to minimise atmospheric carbon emissions. Our quality assets and strong customer relationships in the key export markets within our geographic region mean we are able to attract premium pricing for our products.</p>
<p>Diversification of product range</p> <p>Building a more resilient portfolio</p>	<p>Our business produces high-quality thermal coal and semi-soft coking coal (SSCC). With the purchase of Winchester South, we have set a path to increase our exposure to other metallurgical coal products. We can also optimise revenue by responding to prevailing pricing spreads between the thermal and SSCC markets.</p>
<p>Innovating</p> <p>Delivering the technology dividend</p>	<p>Productivity of the coal mining industry has improved over time as equipment has become bigger and more efficient. We employ large equipment matched to the mining conditions at our operations, including ultraclass and autonomous fleets at Maules Creek and our highly-automated 400m longwall face at Narrabri.</p>
<p>Strategic M&A</p> <p>Keeping a vigilant eye on structural shifts in the market</p>	<p>We take time to critically assess the strengths and weaknesses of our business and market dynamics. Where acquisition opportunities present themselves, we review and act on them appropriately. We do this in a measured and disciplined manner with the objective of creating longer-term value for our shareholders.</p>

Our strategy throughout the COVID-19 pandemic and beyond

The exceptional circumstances stemming from the coronavirus pandemic have resulted in uncertainty surrounding public health and the global economy during CY20, including impacts on energy markets. Short-term demand for both metallurgical and thermal coal has contracted as a result of measures employed in many countries to slow the spread of the virus. Increases in residential electricity demand have been offset by reductions in industrial production.

Asian coal markets have been impacted by a convergence of factors including China prioritising domestic coal production over imports as a post-COVID economic

measure, as well as the abundance of supply in seaborne LNG trade and some competition from renewable energy sources.

Despite major uncertainties surrounding the economic outlook, the fundamentals of our business model remain robust. Throughout the pandemic, our portfolio of coal products have remained sought after and well sold under long-term contracts to the cornerstone high-energy, low-impurity coal markets of Japan, Korea and Taiwan, as well as emerging markets in developing southeast Asian nations. In contrast, lower-energy and/or higher-impurity coal basins globally

have traditionally been the first to exit the seaborne coal market during times of declining demand, and this has been borne out during the first half of CY20.

Furthermore, the International Energy Agency (IEA) estimates that over US\$1 trillion of capital invested in existing global coal-fired generation, most of which is located in Asia, is yet to be recovered.¹ As has recently been observed in China, we expect our customer nations to capitalise on their installed and planned coal-fired power generation to underpin their economic recoveries when the threat of the pandemic is either eliminated or can be sustainably managed.



1 IEA (2019), WEO 2019, IEA, Paris

How we operate

Our operations

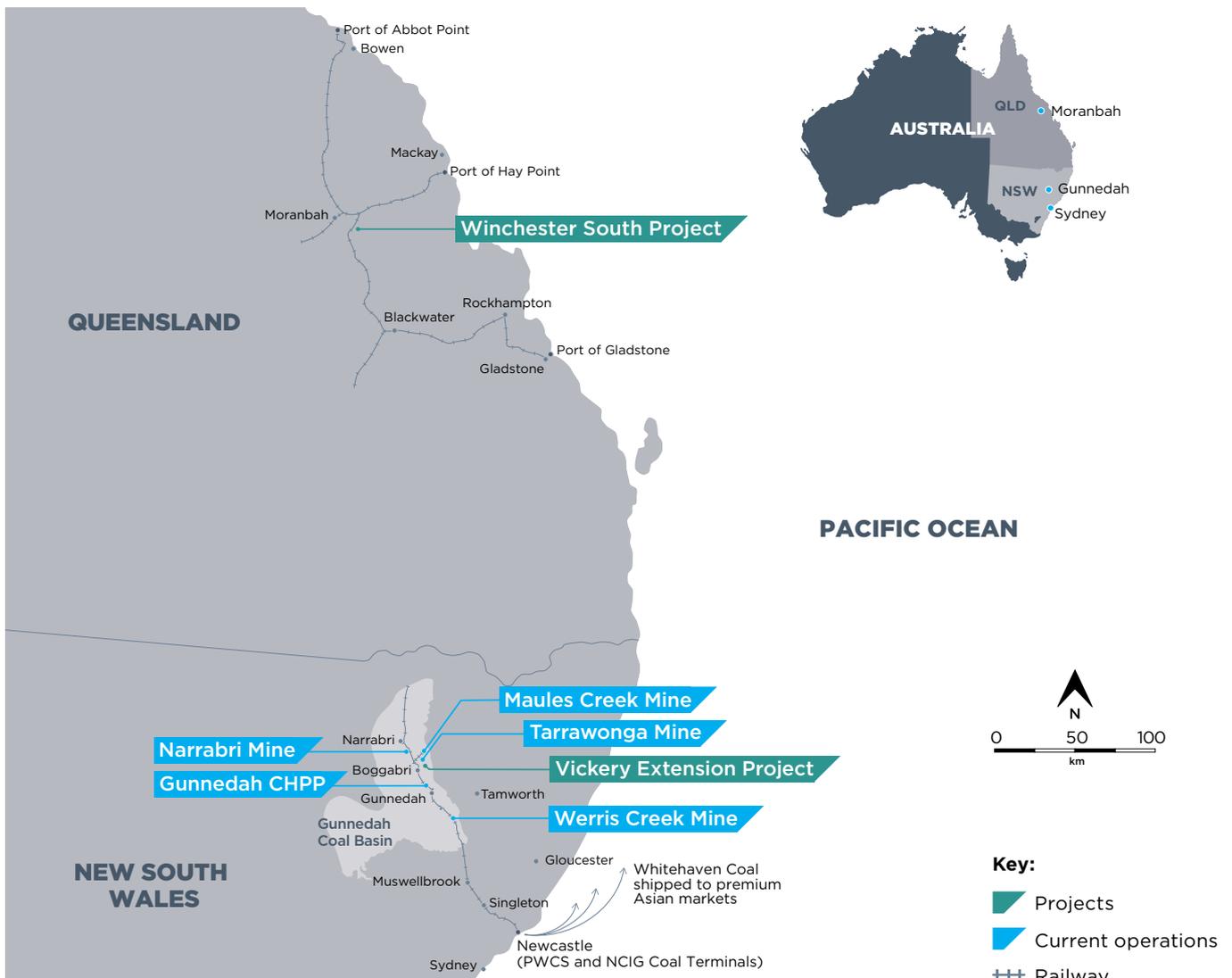
We operate four mines, three open-cut and one underground, in the Gunnedah Coal Basin in North West NSW, producing high-quality metallurgical and thermal coal for export to advanced and developing economies across North and South East Asia.

Maules Creek, our newest and largest mine, produces some of the highest quality high energy thermal coal in Australia, and has been in operation since 2015. The open-cut mine has coal reserves to support 40 years

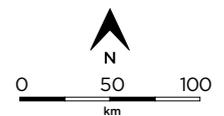
of production, and uses ultra-class mining equipment. During FY20 Maules Creek commissioned its first overburden autonomous haulage fleet. Additional fleets will be commissioned over the coming two years.

Our Narrabri underground coal mine has been operating since 2012, and is currently approved to produce 11 million tonnes per annum of high quality thermal coal until 2031. The Narrabri longwall is fully automated and is one of the most advanced in Australia.

The Werris Creek open-cut coal mine commenced operations in 2005 and has resources to support production until approximately 2025, while our Tarrawonga open-cut coal mine commenced operations in 2006 and has reserves to support a further 10 years of coal extraction.



PACIFIC OCEAN



- Key:**
- █ Projects
 - █ Current operations
 - ++ Railway

Our coal

We supply high-CV, low-impurity thermal coal, low-ash, low-sulphur and low-phosphorous semi-soft coking coal, and high volatile pulverized coal injection (PCI) coals into the seaborne market.

Our high-quality coal is exported to advanced and developing economies across North and South East Asia, and helps power regional economies through its contribution to energy generation and steel production. Our coal is sought-after for its unique properties, including the fact it delivers among the lowest carbon emissions per tonne of coal consumed in the seaborne trade.

Increasingly, countries in our region are looking to premium-quality coal for use in high-efficiency, low-emissions coal-fired power stations because it does not force them to choose between their economic aspirations and applicable domestic and international carbon emissions reduction commitments.

Our infrastructure and logistics network

Given the distance of Whitehaven's mines from the Port of Newcastle, our logistics task continues to comprise a high proportion of total Free On Board (FOB) costs.

To deliver our products to market, we contract rail track, rail haulage and port terminal capacity with our major service providers. As our production levels grow, we will continue our transition to becoming one of the largest users of this infrastructure in the Hunter Valley coal supply chain system.

We contract rail track capacity with the Australian Rail Track Corporation (ARTC). We continue to work with ARTC to expand effective capacity within the Gunnedah Basin - without requiring additional rail infrastructure - through improved operating efficiencies and investment in new

technology systems, with the overall aim of improving supply chain productivity and minimising costs.

We have rail haulage contracts with Pacific National and Aurizon - the two major rail operators - until 2026. These large Australian companies provide haulage of all currently projected expansion tonnes pre-first coal from the Vickery Extension Project. We will work with our infrastructure partners to align planned increases in production with contract rail haulage capacity, supporting the anticipated increase in our managed production levels while minimising fixed cost exposure.

We maintain port capacity contracts with both Newcastle Coal Infrastructure Group and Port Waratah Coal Services, allowing maximum flexibility through all three coal terminals at the Port of Newcastle. We continue to work with our terminal partners to secure additional capacity that allows for both short-term surge and long-term annual shipping requirements in line with our production profile.

Our customers

Our key customer markets are end-user consumers in the power generation, basic oxygen steelmaking and general industrial sectors primarily within North East Asia, India and, increasingly, South East Asia. Total managed coal sales volumes in FY20 were 20.2 million tonnes, shipped through the Port of Newcastle. We have a robust load port coal quality testing regime in place as part of all of our coal sales agreements, and all of our customers with whom we have these contractual arrangements test coal quality upon receipt of a shipment from us at the discharge port. The rigorous systems and testing regimes we have in place ensure the coal we are delivering consistently meets required contractual specifications.

Thermal coal

Whitehaven's managed sales of thermal coal in FY20 amounted to 17.2 million tonnes, 55% of which was sold into Japan, 16% into Taiwan and 15% into South Korea. The majority of this thermal coal - around 80% - was high-CV, low-impurity product favoured by Japanese and Taiwanese generators that primarily employ HELE power station technology. Mid-CV product of the type preferred by Korean generators made up 12% of the total, with the balance a lower-CV specification used within the broader Whitehaven Group as a blending product or sold stand-alone.

Metallurgical coal

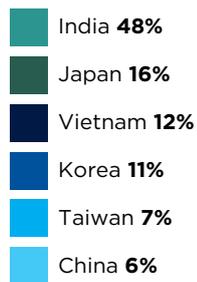
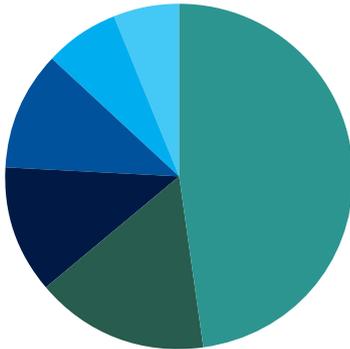
Whitehaven's managed sales of metallurgical coal in FY20 reached 3.0 million tonnes, 48% of which was sold to steel mills in India, 16% into Japan, 12% into Vietnam and the balance to other Asian markets including roughly 6% in predominantly spot sales to China. Our sales were split between SSCC and PCI coals. SSCC was 69% of the total and was sourced from our Maules Creek and Tarrawonga mines. The balance of 31% was PCI coal produced at our Narrabri and Werris Creek mines and sold exclusively into Indian steel mills.

Supporting emissions reductions

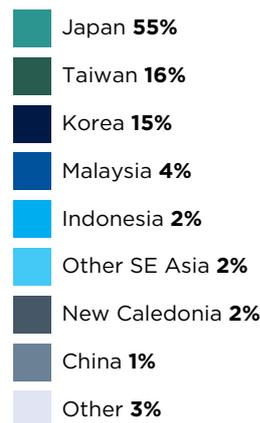
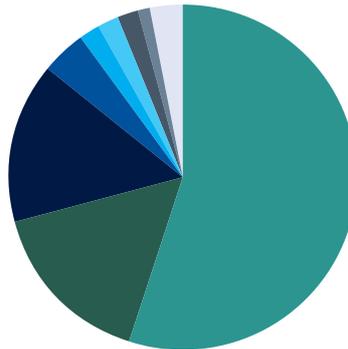
Increasingly, countries in our region are looking to premium-quality coal for use in high-efficiency, low-emissions (HELE) coal-fired power stations because it does not force them to choose between their economic aspirations and applicable domestic and international carbon emissions reduction commitments.

Key export markets

Metallurgical coal sales FY20



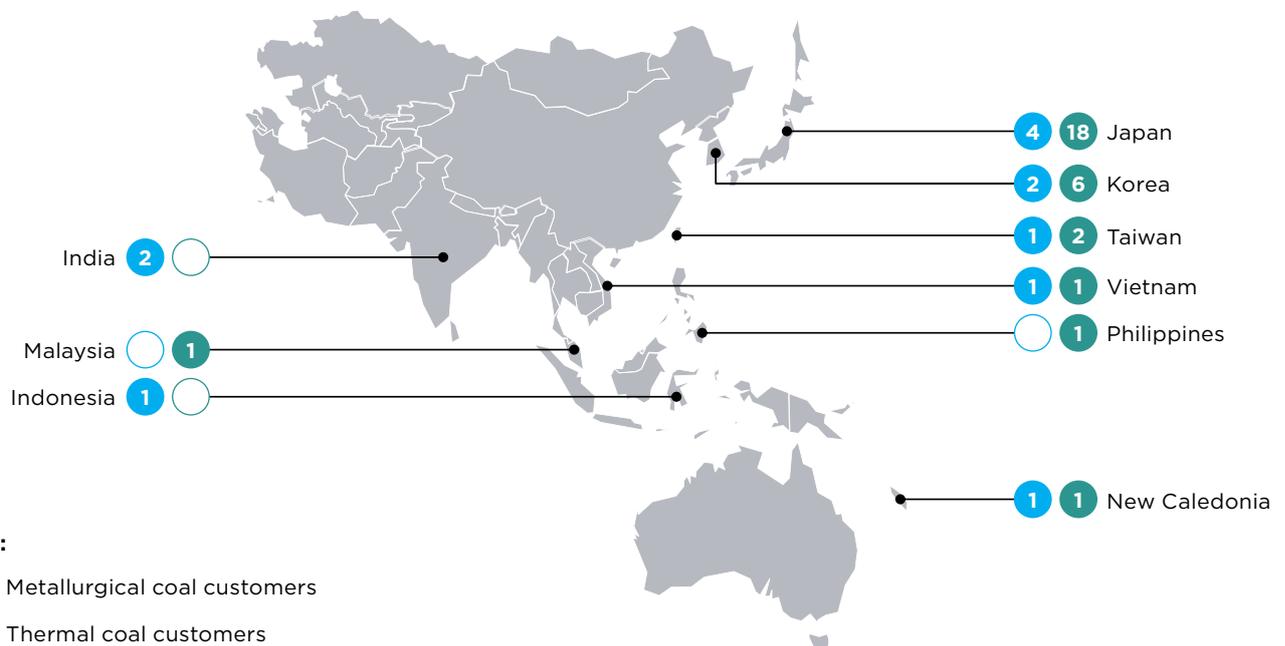
Thermal coal sales FY20



Key customer contracts

Term sales represent the majority of our annual sales volumes and allow us to ensure we meet our customers' ongoing requirements for reliable, stable high-quality coal supply over the long term. Approximately 60% of our contracted sales are long term in nature. During FY20 Whitehaven Coal secured the following incremental term coal sales agreements (CSA):

- New two-year term CSA with a major Korean electricity generation company
- Renewal of a one-year term CSA to supply a Japanese steel mill with Maules Creek SSCC and thermal coal
- Renewal of a one-year term CSA with an Indian steel producer for supply of Narrabri PCI coal and Maules Creek SSCC
- Renewal of a number of one-year term CSAs to supply Japanese general industry customers.



Growth

Our ongoing growth is underpinned by a number of development projects, including the Vickery Extension Project (Vickery) in the Gunnedah Basin of NSW, and Winchester South in Queensland's Bowen Basin. Vickery received its primary planning approval from the NSW Government on 12 August 2020 and, during FY20, Winchester South was declared a 'Coordinated Project' by the QLD Government.

Vickery entails construction of an open-cut coal mine and associated on-site infrastructure about 25 kilometres north of Gunnedah. The mine will produce a majority metallurgical coal for steel-making, with the balance being high quality thermal coal destined for premium export markets. The Project builds upon, and further optimises, an already-approved mine, on a site that has already been extensively and safely mined over many years. The proposal will make Vickery and our neighbouring operations more efficient and sustainable over the longer term. Vickery will create around 500 new construction jobs and 450 new operational jobs. With an estimated capital cost of approximately \$750 million, the Vickery Extension Project has the potential to be one of the most significant investments in North West NSW over the coming years. Following extensive public consultation and an exhaustive review by the NSW Department of Planning, Industry and Environment, the Extension Project was approved by the Independent Planning Commission NSW and is now proceeding through secondary approvals processes.

Winchester South is located 30km south-east of Moranbah in Queensland's Bowen Basin, a well-established and well-understood coal basin. Purchased from Rio Tinto by Whitehaven in 2018, the currently undeveloped project is expected to produce metallurgical coal for export to the Asian market. Winchester South is our first major investment in Queensland and will entail approximately \$1 billion in expenditure, inclusive of the mining fleet. It is expected the mine will deliver 500 new jobs during construction and around 450 new operational jobs.

We are also pursuing a range of brownfield opportunities. The Narrabri Underground Mine Extension Project is a proposal to extract coal to the south of the existing mine, via the established surface infrastructure, using the existing coal handling preparation plant, rail loop, box cut and offices. The proposal will extend the approved life of the mine from 2031 to around 2044, providing continued employment for hundreds of people in the region.

In addition, we intend to apply for an increase in the approved production rate at Maules Creek from 13Mtpa to 16Mtpa run of mine (ROM) coal, and we will be increasing production at Tarrawonga from around 2.4Mtpa to up to around the approved rate of 3.0Mtpa ROM coal.

Policy and advocacy

Whitehaven participates in policy advocacy on a range of issues affecting both our company and the coal mining sector. We engage in dialogue with elected and non-elected representatives at all levels of government on both a bilateral basis and under the auspices of our membership of industry associations both domestically and abroad. These interactions form part

of our contribution to ensuring a competitive and sustainable mining sector and cover a wide range of issues including:

- competition issues associated with rail, port and logistics
- domestic energy policy
- royalties and taxation
- industrial relations
- safety
- environmental regulation
- climate change.

We believe industry associations play an important role in public policy discourse and in helping to ensure Australia's minerals sector sustainably delivers benefits to the economy and communities where we operate. Industry associations are a forum for the exchange of ideas and information and to seek consensus on key policy matters that either affect, or have the potential to affect, our sector. They are also the primary vehicle through which Whitehaven contributes to the development of industry standards and regulation. Whitehaven considers that differences of opinion on some matters are an inevitable and healthy part of any member-based organisation albeit we always seek to work constructively towards consensus outcomes.

We are active members of the associations listed below. We keep our membership of these entities under regular review.

Industry associations:

- Minerals Council of Australia
- NSW Minerals Council
- Queensland Resources Council
- World Coal Association.

Whitehaven periodically makes formal contributions to parliamentary reviews which can be accessed via our website. Any political donations we may make from time to time are recorded and disclosed in accordance with applicable legislation.

NSW Government commitment to coal

In June 2020, the NSW Government released its *Strategic Statement on Coal Exploration and Mining in NSW*, which clearly outlines a commitment from the Government to coal mining and coal workers in NSW that will span many decades, as we continue to

meet the strong demand for high quality coal in our near region. The Statement also outlines the Government's proposed approach to the release of new areas for exploration and possible mining, some of which present opportunities for the business.

Whitehaven welcomes the NSW Government's announcement which provides greater certainty for industry participants and will help ensure continued investment in the sector for years to come.

Minerals Council of Australia Climate Action Plan

In June 2020, the Minerals Council of Australia (MCA) released its Climate Action Plan, which outlines how the MCA and its members are taking action on climate change as part of the sector's collective commitment to the Paris Agreement and its goal of net zero emissions globally and in Australia. The Plan acknowledges the critical importance of

technology in reducing emissions, and has the following key core objectives:

- Enabling the potential of technology to decarbonise the minerals sector
- Increasing transparency in reporting
- Sharing of practical knowledge on climate responses.

The Plan will be reviewed annually and publicly reported on to ensure it remains consistent with Australia's climate policy ambitions in support of the Paris Agreement.





Sustainability & climate change.

Our approach to sustainability has evolved along with our growing presence in the regional communities around which we are based.

Our capacity to create long-term value is linked to how we perceive and invest in the stakeholders who support and observe what we do. Our success as a company depends on carefully considering our material impacts and how these interact with our principles. For Whitehaven, this means making health and safety a top priority; supporting the local communities that support us; and being an environmentally responsible operator.

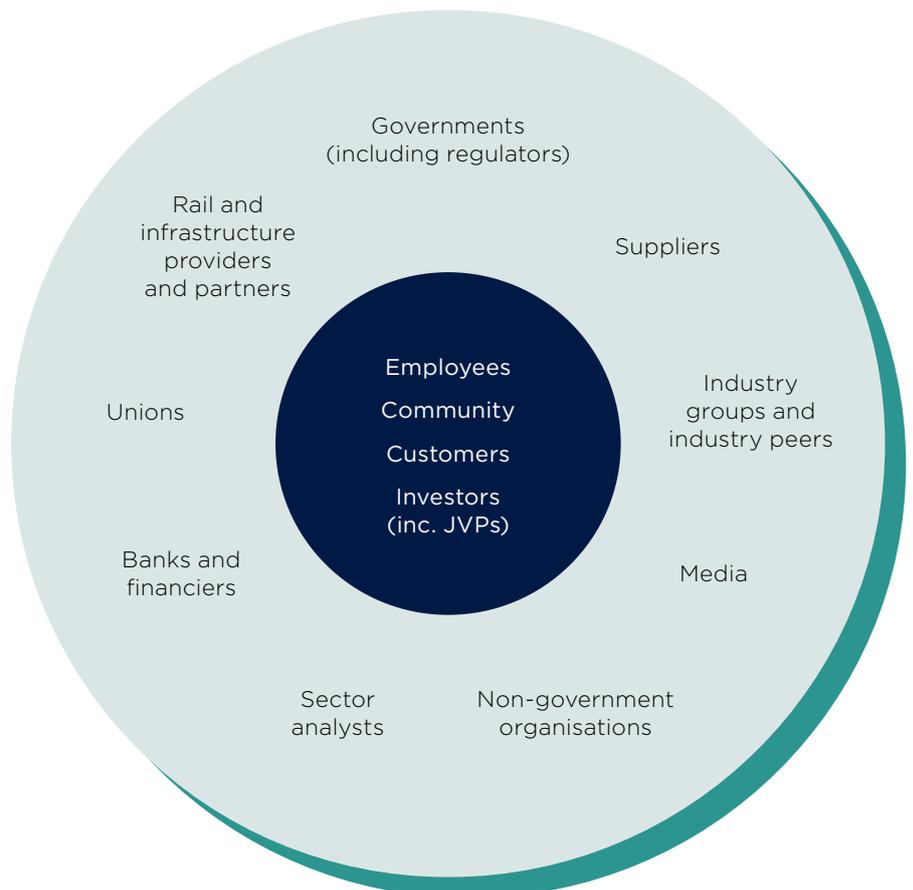
As with many other aspects of our business, the focus of our sustainability effort is local in orientation and we apply our resources to those areas that deliver maximum value to our stakeholders and to areas reflecting our purpose and vision as a company.

We regularly engage with a range of stakeholders, including industry associations, government, community and our investor audience to understand the environmental, social and governance aspects of our operations that matter to them. We seek to educate our stakeholders on our credentials in their priority areas or, where relevant, work together to look at how we improve how we share information or perform, or both.

As outlined in our Climate Change Statement in our *Sustainability Report 2019*, we acknowledge the production and consumption of coal contributes to greenhouse gas (GHG) emissions. We also acknowledge the challenge of integrating international emissions reduction efforts with the legitimate economic and social development aspirations of people, communities and countries. Whitehaven considers an effective and enduring response to climate change should contemplate a range of complementary measures to support the transition to a lower-carbon future. Alongside our customers, shareholders and financiers, we continue to see a role for high-quality coal as part of the global energy transition.

We also acknowledge our role in supporting socially responsible supply chain practices. We comply with relevant statutory obligations including new modern slavery obligations effective 1 January 2019. We support the objectives of the *Modern Slavery Act* to provide transparency on and manage risks associated with modern slavery throughout supply chains. FY20 marks the first reporting period under the Act; we have been identifying and addressing modern slavery risks in our operations and supply chains, with the outcomes to be reported in the form of a Modern Slavery Statement by 31 March 2021, in line with the Federal Government's extension to the reporting deadline in response to COVID-19.

Stakeholders



Investing in low emission technologies

We invest in technology to reduce carbon emissions through Low Emission Technology Australia (LETA).

LETA is a \$550 million fund established by the Australian black coal industry to invest in technologies that can significantly reduce emissions and support the transition to a low emission global economy, in line with the Paris Agreement. The fund

partners with government and industry locally and internationally to develop projects that reduce and remove carbon emissions from large-scale industrial processes, demonstrating and supporting global action to lower industrial emissions in Australia and abroad.

LETA's projects focus on proven technologies available now, and include the Carbon Transport and Storage Company CCUS

project – a demonstration of the technical viability, integration and safe operation of carbon capture utilisation and storage (CCUS) in Queensland's Surat Basin; demonstrating Ventilation Air Methane capture technology to manage fugitive emissions from coal mines; and clean hydrogen production and the Allam Cycle – a near-zero emission power generation technology for coal.

Our material sustainability issues

Issue	Description	Section
Regulation and policy	How we seek consistent and balanced policy settings that support competitiveness, flexibility and environmental performance	Our strategy
Portfolio resilience	How we consider and evaluate the future demand for seaborne coal and undertake scenario analysis to stress-test the resilience of our portfolio	Sustainability & climate change
Governance, risk and business integrity	How we assess and manage risks to our business, including risks arising from the physical and transitional impacts commonly associated with climate change, consistent with the reporting framework of the Task Force on Climate-related Financial Disclosures (TCFD)	Sustainability & climate change
Minimising environmental impact	How we respect and care for our natural environment, minimise and/or mitigate the environmental impacts of our operations and work to improve environmental performance	Environment
Safety of our workforce	How we ensure all our employees and contractors observe robust safety practices and how we seek to avoid workplace injuries and fatalities	Health & safety
People	How we ensure Whitehaven is an enjoyable and rewarding place to work and how we help support the mental and physical health and wellbeing of our employees	Our people
Indigenous engagement	How we respect Indigenous cultures and invest in health, education, skills development and employment with a view to addressing Indigenous disadvantage	Our people, Community
Supporting local communities	How we contribute to local community prosperity and quality of life, including through meaningful engagement and seeking qualitative and quantitative feedback to inform decision-making	Community

Governance and risk

Governance for sustainability

Whitehaven's Board is responsible for overseeing our response to all business risks and provides strategic oversight of sustainability matters with the support of the Health, Safety, Environment and Community (HSEC) Committee. The HSEC Committee is one of four Board standing committees along with the Audit & Risk Management Committee, the Remuneration Committee and the Governance & Nomination Committee.

Material strategic decisions are made by management and approved by the Board. The Board recognises that a sound culture supported by a strong framework of risk management is fundamental to good corporate governance.

Climate change

The committee with the highest level of direct responsibility for climate-related matters is the Audit & Risk Management Committee, which operates under a formal charter and currently comprises three non-executive and independent directors. This Committee meets at least four times a year, and oversees the key risks affecting the Company's business, including climate-related risks.

Management of climate-related matters rests with Whitehaven's senior management. In 2019, we established a Sustainability Working Group to monitor and coordinate our overall handling of climate-related matters and to ensure risks and opportunities are considered from a whole-of-company perspective. This Working Group is chaired by the Executive General Manager - Corporate, Government & Community Affairs and includes senior executives from across Whitehaven. It reports to both the Audit & Risk Management Committee and the Health, Safety, Environment & Community Committee.

Risks and opportunities

Risks

The identification and evaluation of climate-related risks are established features of Whitehaven's enterprise risk management framework, strategy and decision-making processes and are prioritised according to the magnitude and likelihood of the risk or opportunity. Our most significant risks are reviewed annually, while material and emerging risks are continually and proactively identified, monitored and reviewed.

We have undertaken detailed climate risk and scenario planning for our business using the voluntary framework recommended by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). The outcomes of this work are set out in this chapter.

The TCFD recommendations separate climate risks and opportunities into two general categories, transition and physical:

- **Transition risks and opportunities** that relate to technological innovations, policy changes, carbon pricing, and other factors in the transition to a low-carbon future
- **Physical risks** associated with the direct impacts of climate change, being acute extreme weather events such as cyclones, hurricanes or floods or chronic changes to climate (e.g. drought or sustained higher temperatures) that could affect companies' businesses.

Response to climate-related risks

Risk type	Risk	Description	Mitigation
Transition Time horizon Long Term	Market changes	Supply and demand for the coal we produce may be affected by various disruptions including policy, regulation and technology shifts.	We continuously monitor the global environment and conduct detailed analyses on coal markets and customer buying preferences to ensure we are well positioned to respond to market changes that affect our business.
Transition Time horizon Medium-Long Term	Policy and regulation	Future costs for our business and our customers' businesses may be affected by changes in policy impacting the cost of emissions and/or transport.	We continue to monitor global and domestic policy and regulation with a focus on changes or trends in policy in our customer countries. We engage with domestic policymakers to advocate for positive policy outcomes.
Transition Time horizon Short-Long Term	Legal	Increasing litigation against companies in an effort to accelerate action on climate change.	We believe our climate-related risk management framework including scenario analysis, stakeholder management and monitoring of legal developments assists in identifying potential climate-related litigation risks. In parallel, we will also seek legal advice on such developments when required.
Transition Time horizon Medium-Long Term	Access to funding and insurance	Further changes to ESG policies by funding and insurance providers may lead to a smaller pool of suppliers for these services which may result in higher costs.	We advocate the central role of high-quality Australian thermal coal in reducing global emissions. We continue to advocate the importance of Australian metallurgical coal as a critical input for steel production.
Transition Time horizon Medium-Long Term	Increased energy and fuel costs	The potential introduction of regulatory pricing mechanisms and/or trading systems may increase the cost of electricity and fuel, which are key inputs required for our mining operations.	We identify and implement energy efficiency initiatives.

Risk type	Risk	Description	Mitigation
Transition Time horizon Medium-Long Term	Reputation	Changing stakeholder expectations and misunderstanding in relation to the role of high-quality coal in supporting a lower-carbon future may present a risk to our reputation and impact our social licence to operate and ability to obtain project approvals.	We engage regularly with our stakeholders in dialogue covering the full spectrum of environmental, sustainability and governance issues, including in relation to climate change and the adoption of the recommendations of the TCFD.
Acute Physical Time horizon Medium-Long Term	Increased frequency and severity of extreme weather events, such as tropical cyclones, floods and fires	Impact to operations due to adverse and severe weather events resulting in increased costs and disruption to supply.	Continue to design infrastructure to better withstand floods, storm deluge and other extreme weather conditions. We monitor contractual arrangements to ensure appropriate mitigation measures are in place.
Chronic Physical Time horizon Short-Long Term	Changes in precipitation patterns resulting in a material increase or decrease in water balances	Production loss resulting from an over or under supply of water.	We monitor water balances at each site. We investigate opportunities to minimise water usage and secure alternate, reliable water sources to strengthen our operations' resilience to water availability risks.

Opportunities

In addition to working to avoid and manage climate-related risks, we also explore and take advantage of climate change opportunities. Central among these for Whitehaven is responding to growing market demand for high-quality Australian coal in a more carbon-constrained world (further detail on these

aspects can be found in this chapter and the *Our strategy* chapter of this Report). We also invest in low-emissions technologies through Low Emission Technology Australia and will continue to evaluate other ways we can contribute to the development of Carbon Capture Utilisation and Storage (CCUS) globally (further detail can be found on page 18). Finally, we acknowledge

climate change is a global challenge that requires collaboration among a wide range of stakeholder groups. We participate in domestic and international exchanges and forums where we advocate the role higher-quality coal and CCUS technologies can play in contributing to meaningful carbon emissions reductions (further detail can be found in *Our strategy*).

Business resilience and climate change

In 2019, Whitehaven responded to the voluntary recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD), building on our previous disclosures related to climate and climate-related risk in our annual reporting. 2020 marks the second year we respond to these recommendations, fulfilling our commitment to reporting on these aspects on an annual basis.

In addition to reporting on governance and risk mitigation, the central element of the TCFD’s recommendations¹ is that companies:

- understand the impact of changes to the operating environment under potential lower-carbon scenarios (including one that limits global warming to an average of 2°C above pre-industrial levels)
- determine their financial and operating resilience under these scenarios
- periodically monitor relevant external metrics and indicators to identify the scenario that is most likely to eventuate over time.

In undertaking this analysis, we stress-tested the resilience of our portfolio against the three scenarios in the International Energy Agency’s (IEA’s) World Energy Outlook (WEO) series. The IEA WEO Scenarios are the Current Policies Scenario (CPS), Stated Policies Scenario (STEPS), and Sustainable Development Scenario (SDS). Projected coal use varies between scenarios; the CPS has the highest projected coal usage while the SDS has the lowest projected coal use. Further detail about the scenarios is available on page 28.

Each year, a team of around 120 economists, engineers and other personnel produce the WEO, which is the most authoritative study of its kind. An additional 230 peer reviewers from governments, corporates, consultancies and energy agencies across the world contribute to its development.

We have analysed our forecasts under each scenario to determine the impacts on our business. Our key conclusions are as follows:

1. The future of the Australian coal sector and high-quality coal producers such as Whitehaven is expected to remain robust over the long term.
2. Whitehaven exhibits long-term resilience and value generation in a range of de carbonising scenarios, including under a 2°C scenario, which is aligned to the objectives of the Paris Agreement.
3. Under the 2°C scenario, all Whitehaven mines would continue to have positive valuations and economic lives, consistent with our current life-of-mine planning. Our development projects will be tested for resilience as part of the future investment decisions related to those projects.
4. The risk of Whitehaven’s mines being stranded in a more carbon-constrained world is assessed as low.

Our business

Our business is leveraged to strong and continuing demand for high-quality coal in the Asian region. In FY20, Whitehaven sold 20.2 million tonnes of coal, of which nearly 100% was exported. This was comprised of 17.2 million tonnes of thermal coal and 3.0 million tonnes of metallurgical coal.

Global thermal coal consumption is expected to be stable until 2040. According to the IEA’s STEPS, coal is likely to remain the single largest source of electricity generation worldwide during this period.² Additionally, the trend in regional demand is counter-cyclical to more subdued global demand. For example, demand for higher-quality coal among developing economies in the Asian region will continue to grow. This is partly driven by electrification and new policy settings that are sensitive to the need to reduce carbon emissions and atmospheric pollutants (particulate matter). Australia in particular will benefit from this trend because it is a key global producer of high-calorific value (high-CV), low-ash, low-sulphur coal. Whitehaven will benefit because we are oriented to meeting demand for this coal in our region.

¹ Task Force on Climate-related Financial Disclosures. “Recommendations of the Task Force on Climate-related Financial Disclosures.” <https://www.fsb-tcfd.org/publications/final-recommendations-report/>

² The Stated Policies Scenario (STEPS) is one of three scenarios in the IEA’s WEO. See page 28 for further detail.

Thermal coal

Asian customers buy the vast majority of our thermal coal exports. Over the past decade, Asian demand for thermal coal has grown strongly (2.6% CAGR)², largely driven by the build-out of coal-fired power fleets to support industrialisation and urbanisation.

These coal-fired generation fleets in our customer countries are relatively young, especially compared with a country such as Australia, and use advanced technology to maximise efficiency while reducing environmental impact. Coal-fired plants typically require large upfront capital expenditure, which in turn provides 40 to 50 years of operating life. The IEA estimates over US\$1 trillion of capital invested in existing global coal-fired generation is yet to be recovered, most of which is located in Asia whose nations have some of the youngest coal-fired fleets globally.³ Given the early-stage of these assets in their life cycle, we are likely to see sustained demand for coal as a fuel input over a long period.

The other major aspect is regional supply and demand for high-CV, low-impurity thermal coal. The increasing uptake of high-efficiency, low-emissions (HELE) power stations, which require higher-specification coal to run at peak efficiency, coupled with decreasing supply of high-quality coal, is generating ongoing tightness in the higher-energy content coal market. This dynamic has played out in the growing gap in demand for high-quality versus low-quality coal.

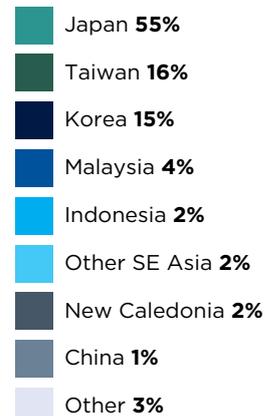
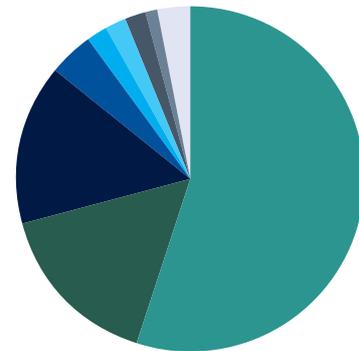
Given the relative scarcity of high-CV coal and the low number of development projects geared to this product, we expect this trend to continue, and possibly intensify. Given Gunnedah Basin coal is at the upper end of the national CV range, and has lower ash and sulphur content, we are well positioned to continue to supply this market.

Metallurgical coal

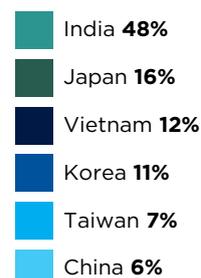
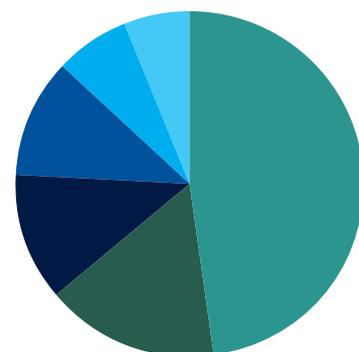
Our NSW mines supply metallurgical coal in the form of semi-soft coking coal and high volatile matter (high vol) PCI coal. These coals are low in impurities – specifically ash, sulphur and phosphorous – and are important components in our customers’ broader coking coal requirements. Our coking coal sales have a significant exposure to India, as detailed below, which is forecast to experience strong growth in coking coal imports over the coming decades.

Our customers use low-impurity Whitehaven products in their coke blends to offset impurities in the hard coking coals they purchase. This is an important contributor to ongoing demand for our coking coals. The trend of increasing impurities in hard coking coal, specifically sulphur and ash, is expected to continue, placing us in a good position in terms of future demand for our product.

Thermal coal sales FY20



Metallurgical coal sales FY20



² Compound Annual Growth Rate; CRU Thermal Coal Market Outlook

³ IEA (2019), WEO 2019, IEA, Paris

Future demand

The seaborne coal market is large and fluid, and a global perspective is required to understand the direction and volatility of forecast coal prices. Coal has historically been a cyclical commodity, driven by changes in supply, demand and pricing. There is little evidence to suggest this cyclical nature will change; in fact, there is evidence that it will become more volatile as new influences over supply and demand become more prominent. As part of our strategic planning, we analyse the global market and its likely effect on the Asian markets where we sell our product.

Thermal coal

Global electricity demand is forecast to continue to grow strongly. The IEA predicts that nearly 90% of global electricity demand growth will come from developing economies, many of which are in Asia. Population growth, increasing economic activity and rising standards of living are all contributing to the need for accessible, reliable and affordable energy. Although renewables are coming off a low base, they will undoubtedly be the fastest-growing component of the global energy mix, but baseload fuels such as coal will still be required to maintain reliable, efficient and flexible power grids.

Construction of new coal-fired capacity, particularly across Asia, is expected to drive long-term thermal coal demand globally. Under the IEA's STEPS, Asia Pacific will add an additional 368GW of coal fired power generation capacity on a 'net' basis (additions less retirements) out to 2040, being the only region (as categorised by the IEA) to both replace its existing fleet and materially increase installed coal-fired capacity to meet demand. Additionally, IEA's STEPS assumes a greater adoption of new

coal-fired power plants being built to higher-efficiency supercritical (SC) and ultra-supercritical (USC) specifications, whereby coal demand from SC/USC-configured coal-fired power plants will increase from about 1,000 Mtce in 2018 to about 2,000 Mtce in 2040, or from 30% to 59% of global power sector coal demand respectively.⁴ The adoption of SC and USC technologies, fuelled by higher-energy and lower-impurity coals, will result in materially lower coal-fired emissions compared with older coal-fired technologies.

Asian coal-fired fleets are on average significantly younger relative to European and North American fleets, which will further reinforce long-term coal demand in Asia. Because of Australia's high-quality thermal coal, it is ideally positioned to capitalise on Asian thermal coal demand. It is higher-energy, lower-impurity coal compared with other major sources of seaborne coal, which means it generates lower greenhouse gas (GHG) emissions per megawatt hour (MWh). Furthermore, Australia's relative proximity to key markets will ensure it remains one of the most cost-competitive sources of high-quality thermal coal for Asia.

Metallurgical coal

Global demand for metallurgical coal, which is a critical component in steelmaking, correlates to industrialisation and urbanisation.

Over the last decade, global metallurgical coal demand was largely underpinned by China, which produced around half of the world's steel output by 2013.⁵ While the Chinese steel sector continues to grow, albeit at a reduced rate, other developing nations (particularly in Asia) are expected to undergo major socio-economic transformations requiring significant increases in the capacity and sophistication of domestic steel-making industries.

The IEA estimates nations within the Asia-Pacific region will experience some of the fastest urbanisation rates globally. Collectively, an additional 800 million people will live in urban areas, predominantly across China, India and Southeast Asia, by 2040.⁶ While growth in the steel sector will vary according to industrial, policy, trade and other considerations, steel intensity growth (or steel use per capita) in several Asian nations will come from a relatively low base and trend towards the steel intensity levels of China and other developed nations over time.

China is expected to rebalance its steel sector towards electric arc furnace (EAF) steel production fuelled by scrap availability. But other less developed Asian nations that have not yet experienced major industrial cycles will likely be compelled to install predominantly basic oxygen furnace (BOF) steel-making capacity, which relies on metallurgical coal as a non-substitutable fuel source.

Resource consultancy CRU expects global BOF-based steel demand to be flat (and possibly lose some steel market share to EAF production). But it predicts that most of the global steel production will continue to rely on metallurgical coal for the foreseeable future.⁷ For example, the relative lack of scrap availability in India and other developing Asian nations is expected to result in a heavy reliance on BOF-based steel sector growth until 2040.

4 IEA (2019), WEO 2019, IEA, Paris

5 CRU Metallurgical Coal Long Term Market Outlook

6 IEA (2019), WEO 2019, IEA, Paris

7 CRU Metallurgical Coal Long Term Market Outlook

Because few countries have large quantities of economic metallurgical coal resources (and typically, their logistics are more constrained than thermal coal markets), metallurgical coal is considered a more scarce resource globally. As the world's largest exporter of metallurgical coal⁸, Australia is well placed to benefit from the growing strategic importance of the commodity.

Australia already accounts for more than half of the seaborne metallurgical coal trade⁹ and, with the benefit of significant volumes of high-quality coal resources and production capacity (particularly for premium-priced hard coking coal), benign geology and several routes to market, it will continue to be a metallurgical coal market leader for the foreseeable future.

As with thermal coal, Australia's geographic proximity to key Asian steel-making markets reinforces its status as one of the most reliable and cost-competitive suppliers to steel-making customers relative to other major metallurgical coal exporters.

Asian market trends for thermal coal

Over the past decade, the Asian region has seen strong growth in thermal coal demand. This growth has been driven by strong economic growth, increased standards of living and population increases.



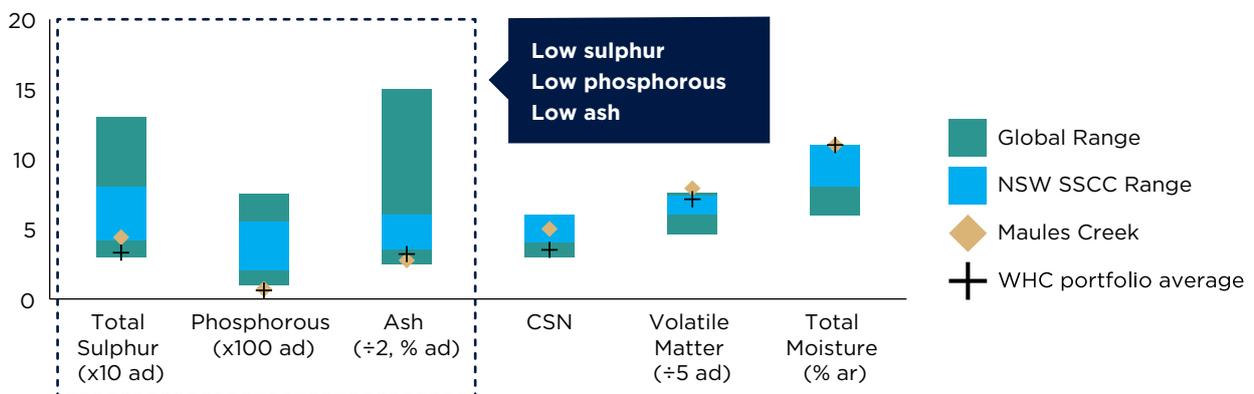
Source: CRU, Thermal Coal Market Outlook. Thermal coal demand for 2010 was as follows: China - 2,811Mt; India - 593Mt; Japan, South Korea and Taiwan - 268Mt; Vietnam - 28Mt; Malaysia - 22Mt; Indonesia - 56Mt

8 Department of Industry, Science, Energy and Resources (2020)
 9 Department of Industry, Science, Energy and Resources (2020)

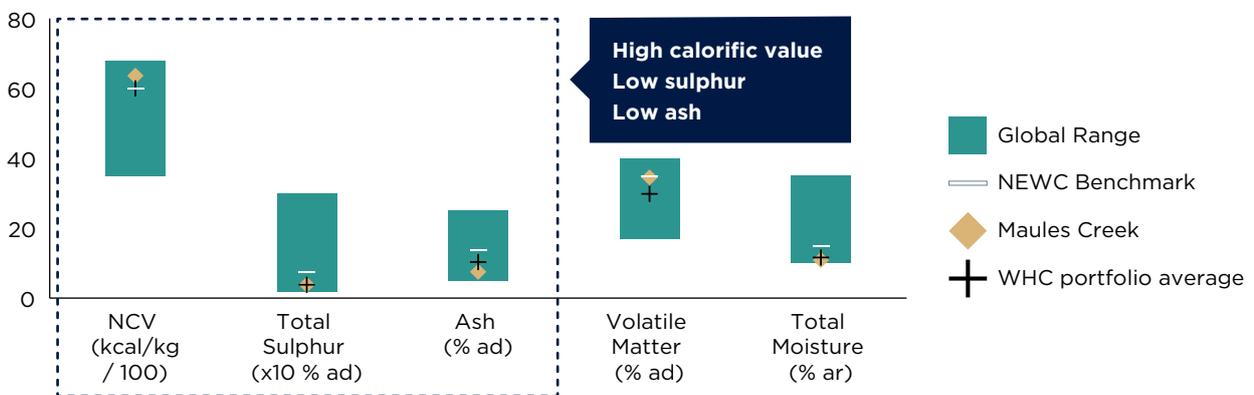
Our premium-quality product is well-placed to meet regional demand

In a world where policymakers, major energy generators and consumers are focused on reducing carbon emissions, high-quality coal – particularly high-CV, low-impurity coal from the Gunnedah Basin – has a clear role to play.

Semi-soft coking coal



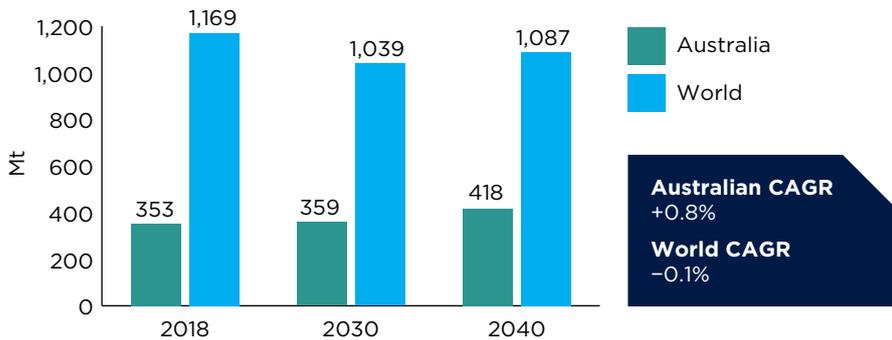
Thermal coal



Source: CRU, Whitehaven

Australian coal exports under the IEA's Stated Policies Scenario

Under STEPS, demand for global traded coal is relatively flat until 2040. However, Australia's exports are expected to grow at 0.8% CAGR, taking market share from other exporting nations.



Source: IEA (2019), WEO 2019, IEA, Paris. Coal trade for 2017 was as follows: Australia - 350Mt; World - 1,102Mt. STEPS is one of three scenarios in IEA's WEO. See below for further detail.

IEA World Energy Outlook scenarios

Current Policies Scenario (CPS)

Expected warming of 6°C by 2100

- Only considers policies that governments have formally adopted
- Based on existing laws and regulations
- Excludes progressive and aspirational emissions reduction targets that have been declared globally.

Stated Policies Scenario (STEPS)

Expected warming of 4°C by 2100

- Provides a measured assessment of where the energy sector might be in the coming decades in relation to:
 - today's policy frameworks and ambitions
 - the continuing evolution of known technologies
- Includes government policies and targets.

Previously known as the New Policies Scenario

Sustainable Development Scenario (SDS)

Limiting warming to below 2°C by 2100

- Provides an integrated strategy to achieve the key energy-related elements of the United Nations Sustainable Development Goals
- Aligned with the Paris Agreement goal of holding the increase in global average temperatures to "well below 2°C ... and pursuing efforts to limit [it] to 1.5°C".

Source: IEA (2019), WEO 2019, IEA, Paris

Scenario analysis

A number of aspects of the pace and scale of the global transition towards a lower-carbon world are uncertain. These include, but are not limited to, the extent of the policy response to climate change, the outlook for energy demand and the rate of development of new technologies. Given this uncertainty, climate scenario analysis is just one tool our company can use to better understand and assess external risks to our business and inform strategic decision-making. It is important to understand that scenario analysis is not the same as forecasting. It is a mechanism that uses scenarios, in some cases with dramatic deviations

from a base case and with varying degrees of probability, to test business resilience and determine consequential financial outcomes.

Our scenarios

Given the well-documented, transparent and independent nature of scenarios produced by the IEA, we have evaluated our business resilience under the:

- IEA Current Policies Scenario (CPS)
- IEA Stated Policies Scenario (STEPS)
- IEA Sustainable Development Scenario (SDS).

When assessing our resilience against a given scenario, we test the following:

1. Is market demand sufficient to sell our products, given their quality characteristics?
2. Can our products be marketed and sold at a price that generates a positive cash flow for our business?

When we produce a positive result against both factors, we conclude that our business is resilient.

Product resilience

Using the IEA's WEO 2019 report, the latest in the series, we analysed market demand for thermal coal in our core established and emerging markets in Asia. This is consistent with our understanding of the IEA's demand trends that identify this region as the focus of future growth. Our analysis includes reviewing coal demand from the Australian production base and quality drivers embedded within that demand.

Resilience under CPS

Thermal coal traded in the seaborne market rises at 0.8% CAGR to 2040, requiring coal production over and above that which exists today. Demand for our coal will be strong given the supply-demand environment.

Resilience under STEPS

Thermal coal traded in the seaborne market falls by 0.4% CAGR to 2040. In the same period, Australia's total coal production is expected to rise at 0.8% CAGR. Given the relative scarcity of Australian thermal coal, our long-life mines are well positioned to meet growing demand for high-quality Australian thermal coal.

Resilience under SDS

Global seaborne thermal coal demand is expected to contract by 5.9% CAGR until 2040. Given the sources of demand and the expectation of growing quality requirements within our region, we forecast Australia will perform better than the global seaborne market. Furthermore, in a carbon-constrained world and given the quality of Gunnedah Basin coal and its lower CO₂ emissions per unit of power produced, we expect demand for our coal to be better than the Australian average.

Financial resilience

The WEO 2019 report contains delivered coal prices to Japan under the CPS, STEPS and SDS out to 2040. Our resilience testing for each scenario is predicated on the IEA's respective price forecasts after rebasing to an FOB Newcastle basis and modelling of the cash flow generation of our business until 2040.

Resilience under CPS

Modelling of WEO 2019 forecasts for coal prices shows that EBITDA margins will strongly increase between 2030 and 2040. There would be strong corresponding positive free cash flows from our business, with all mines returning positive and robust net present value (NPV) outcomes.

Resilience under STEPS

Modelling of WEO 2019 forecasts for coal prices shows similar results to the CPS. It projects strong EBITDA margins and positive cash flows for our business, with all mines returning positive and robust NPV outcomes.

Resilience under SDS

Modelling of WEO 2019 forecasts for coal prices are lower than the STEPS case, but the company is cash flow positive until 2040, with all mines remaining NPV positive.

Future monitoring and reporting

Consistent with the TCFD's recommendations, Whitehaven has identified signposts for each WEO scenario. They encompass the leading indicators underpinning our assumptions as well as any changes in the external environment relevant to Whitehaven. These are mainly IEA data points and include factors such as global power sector CO₂ emissions, global thermal coal production and cumulative investments in fossil fuel and renewables generation, on a region-by-region basis.

In addition to IEA data, we also use bespoke data from independent resource industry consultants and open-source reporting and analysis on policy and market developments relating to carbon, climate change, coal and other relevant topics. We also participate in domestic and international discussion forums to deepen our understanding of issues. This information is synthesised by the Sustainability Working Group, which meets periodically to review signposts and form judgements on which scenarios are becoming more or less dominant over time.



Environment.

Our approach to environmental management focuses on avoiding environmental impacts where possible, mitigating unavoidable impacts, rehabilitating or restoring disturbed areas, and offsetting residual impacts that cannot be avoided, minimised or rehabilitated.

We undertake extensive assessments and management planning in relation to surface water, groundwater, flooding, flora and fauna, Aboriginal cultural heritage, historic heritage, air quality, noise, agriculture and geochemistry. We develop comprehensive environmental assessments for all our projects and prepare management plans for each stage of a project – from construction and operation, to rehabilitation and closure. We also consult extensively with relevant stakeholders throughout formal planning and approval processes.

In Australia, mining is a highly regulated industry subject to constant monitoring and compliance activity by relevant government authorities. We observe the strict requirements that apply to our operations, which, on any given day, means complying with thousands of environmental obligations across our sites. We believe in planning carefully, mining responsibly in line with our approval conditions, and rehabilitating land progressively.

Our comprehensive management of environmental impacts is complemented by ongoing formal and informal stakeholder engagement – including through Community Consultative Committees (CCCs) – and direct community feedback via our hotlines, open days and more. We work together with our local communities, including neighbouring landholders, and adjust our management approach based on this consultation.

In FY20, we created a new Health, Safety & Environment (HSE) function reporting directly to the Managing Director and CEO. This new executive-level role will provide dedicated leadership and ensure greater awareness and integration of environmental considerations across all limbs of the business. So we can continue build and maintain our social licence to operate, it is important that we carefully and responsibly manage our environmental risks, deliver planned improvement and compliance and look to more integrated and sustainable solutions to minimise our impacts.



“We all have a role to play in ensuring we meet our compliance obligations and minimise our impacts on the environment and community. By understanding our impacts and having the right controls in place, we can not only co-exist with our surrounding community but add to its prosperity and leave a legacy we can be proud of.”

Sarah Withell,
Executive General Manager -
Health, Safety & Environment

Water use

Water is essential for life and human economic and social development, and as it is also a precious resource, water can create complex interdependencies and relationships associated with access and usage. Water is fundamental to our business and to sustaining our mine operations and the livelihoods that depend on their economic output. At Whitehaven Coal the responsible management of water is a primary focus.

During FY20, our total operational water inputs from water allocation licenses was 3,359 megalitres (ML), around 32% of our total allocations from groundwater (bore water and 'passive take') and extractions from the Namoi River. This represents

a decrease in water take from our allocations in FY19, which was around 42%, due to a range of water saving measures implemented throughout the period.

We look to recycle water wherever we can, for example, by recirculating within our coal handling and processing plants. In FY20 38% of our water use was recycled water.

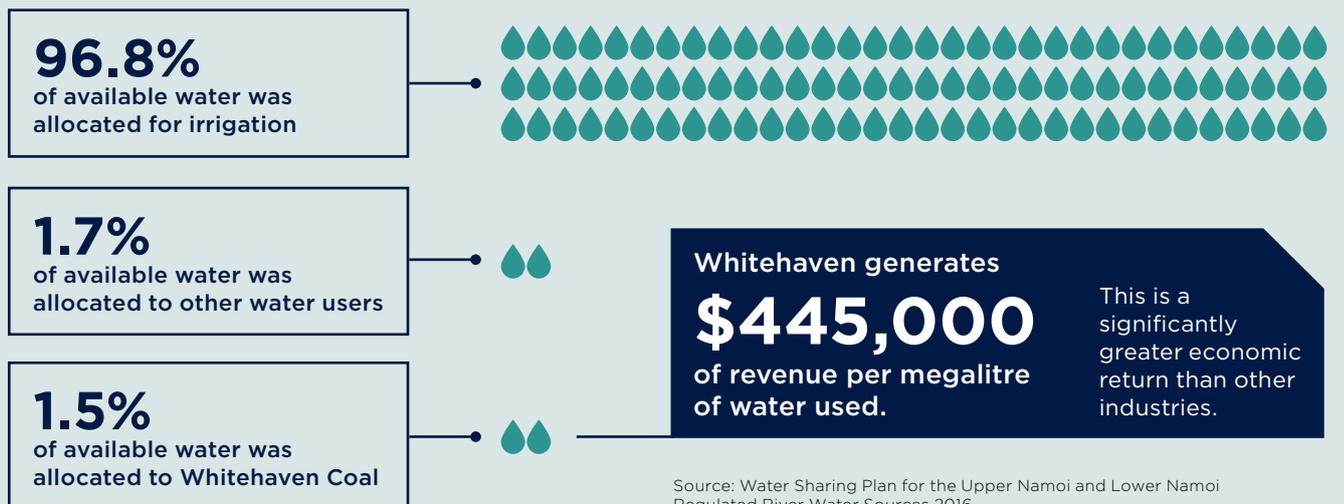
Working closely with relevant NSW water management and regulatory authorities, we monitor water quality and quantity, including water balances, to measure the volume and quality of water inflows, current storage on site, usage, losses, recycling, and any discharges. This information, plus predicted operational requirements and weather patterns, is used to

plan for future water use. Water meter readings are checked by WaterNSW to monitor compliance, and we regularly report our water management practices and outcomes through formal mechanisms including Annual Reviews for our operational sites.

Our Group Manager Water and Property is accountable for developing and implementing the Whitehaven water strategy for all operating sites and future developments. Essential to this role is effective engagement with key stakeholders including regulators, local landholders and industry specialists to further improve our sustainable management practices and drought resilience.

Water use in North West NSW

In FY20 253,247 megalitres of water from the Lower Namoi River was allocated, or made available to licensed water users in the region.



Maintaining operations throughout the drought

The current drought in NSW rivals the Federation Drought of the early 1900s in its intensity and duration and has required water users to focus on how water is accessed, used, shared and valued. As with all water users, managing our operational water needs during times of drought has posed challenges.

Throughout FY20, water saving initiatives were employed across our operations to reduce water consumption during this period, including the use of ‘dust binders’ for haul road dust suppression. We maintained operations during this time, reducing water consumption without creating additional air quality impacts. Our continued, uninterrupted operations made a material

contribution to economic stability in North West NSW and provided an avenue for those in other sectors, such as farmers, to generate additional, off-farm, income.

While meaningful rainfall was received in North West NSW in early 2020, and a return in the region to a more average rainfall pattern materialised, we have nonetheless made a significant effort to future-proof our operations, including by conducting further detailed modelling of future operational needs and incorporating additional water saving measures.

It is essential all affected stakeholders continue to work with governments and water regulators to address the challenges posed

by the drought. Statutory water management frameworks must safeguard water for future generations, but also support the efficient use of available resources and practical water governance measures. We continue to work with all stakeholders transparently and constructively on this critical issue and to:

- identify material water impacts, risks and opportunities
- improve our overall understanding of our water use at the regional and sub-regional level
- explore how we can improve our water management performance and contribute to individual water saving and water-sharing initiatives.



Water allocation and extraction

		FY20	FY19	FY18	FY17	FY16
Water licence allocation (ML)	Upper Namoi Alluvial	1,810	-	-	-	-
	Gunnedah Oxley Basin	4,428	-	-	-	-
	Great Artesian Basin - Southern Recharge	322	-	-	-	-
	River water	3,873	-	-	-	-
	Total	10,433	9,978	9,978	9,924	9,925
River/bore water extraction (ML)	Bore extraction	1,651	-	-	-	-
	River extraction	427	-	-	-	-
	Passive take (groundwater)	1,281	-	-	-	-
	Total	3,359	4,183	3,034	1,456	1,580
Water used (ML)	CHPP (gross)	3,428	-	-	-	-
	Dust suppression	2,370	-	-	-	-
	Other	467	-	-	-	-
	Total	6,265	6,826	5,316	3,649	3,964
Water withdrawal by source (ML)	Groundwater	2,932	-	-	-	-
	River water	427	-	-	-	-
	Surface water (mine water runoff)	1,255	-	-	-	-
	Total	4,072	-	-	-	-
Water exported for irrigation (ML)		80	102	42	-	-
Water recycled (ML)	CHPP recycled water	2,392	-	-	-	-
Water recycled (%)		38	23	22	18	19

The values presented in this table are a combination of metered, estimated and modelled data.

Emissions

As a producer of high-quality coal that helps our customer countries meet their greenhouse gas (GHG) emissions reduction targets, we are conscious of the intersection between greater efficiency, cost and emissions reductions. We are committed to ongoing efforts to reduce our operational emissions from energy use and haulage. At the same time, we believe GHG reduction efforts should not deprive people and communities of access to affordable and reliable energy.

Although GHG emissions have increased year on year due to our growing operational presence, we continue to look at ways we can better integrate productivity and operational efficiency measures to deliver improved emissions outcomes across our operational sites. This reflects our belief that we must do more than rely on the low-emission characteristics of our high-quality coal and reduce direct emissions from our own operations.

We continue to work with key partners to develop innovative ways to reduce our energy consumption. Working with Cummins and Hitachi, we have rolled out updated fuel calibrations on a fleet of 17 diesel-electric trucks at our Tarrawonga mine during FY20. Minor changes in engine/truck control software to improve fuel efficiency will enable us to reduce fuel consumption by 6.6%, which represents a saving of 10 litres of fuel per hour or approximately 600 kilolitres over the course of a year.

As outlined in the Sustainability & climate change section, we invest in the development of low-emissions technologies through Low Emission Technology Australia (formerly COAL21).

We acknowledge greenhouse gases are produced through the mining process and from the use of coal in power stations and blast furnaces. Below we set out our GHG emissions, as required under the *National Greenhouse and Energy Reporting Act 2007*.

Scope 3 emissions are not included in Australia's National Greenhouse and Energy Reporting scheme, as indirect emissions produced downstream are beyond the operational control of an Australian company or entity. Scope 3 emissions from the use of our coal are represented as Scope 1 emissions arising from the power generation and steel-making sectors in our customer countries. Scope 3 emissions are not counted in Australia's national emissions inventory, as this would constitute double counting contrary to the Paris Agreement's transparency framework.

Because our coal is some of the highest quality low-ash, low-sulphur, high-energy coal in the seaborne trade, it produces among the lowest emissions per tonne in the world. In this way, our product displaces lower-quality, higher-emissions coal such as that from Indonesia or China.

All of our customer countries are signatories to the Paris Agreement or have domestic policies that are consistent with the outcomes of the Paris Climate Conference (COP21). Our largest customer, Japan, has included high-quality coal as a key component of its COP21 nationally determined contribution.

	FY19 ²	FY18	FY17	FY16	FY15
Total energy use (terajoules) ¹	6,150	5,872	4,926	3,968	3,128
Intensity - total energy use (gigajoules per tonne of run-of-mine (ROM) coal) ⁴	0.265	0.256	0.215	0.193	0.198
Scope 1 and 2 greenhouse gas emissions (kilotonnes of CO ₂ -e)	1,613	1,440	1,350	1,162	762
Intensity - greenhouse gas emissions (tonnes of CO ₂ -e per tonne of ROM coal) ³	0.069	0.063	0.059	0.057	0.048

1 CO₂-e stands for 'carbon dioxide equivalent'

2 Most recent reportable period

3 The incremental increase in GHG emissions intensity is attributed to an increase in fugitive emissions related to increased ROM coal extraction

4 The incremental increase in overall energy intensity is also related to our growing scale, and includes increased requirements to move waste

Air quality

We employ a range of methods to minimise our impact on air quality, including using water carts on roads, dust suppressants on roads and stockpiles, sprays on stockpiles, dust suppression on drills and generally limiting disturbance to that required for the next year of operations. In bad weather conditions, such as excessive winds or dust storms, we modify our on-site activities accordingly. We also rehabilitate mined land progressively, to minimise areas exposed to dust generation.

As the severe drought in North West NSW continued throughout FY20, we increased our use of dust suppressants to ensure we continued to meet our overall air quality criteria. We also reviewed and revised haulage routes to minimise the use of water, and established additional supplementary sources of water to ensure adequate air quality management.

All of our operational sites have systems for real-time monitoring to proactively manage our operations. These systems set trigger levels for air quality below approved criteria to allow management actions to be implemented to ensure criteria are not exceeded. Compliance monitoring results are publicly available through applicable CCCs and the Whitehaven Coal and NSW Environment Protection Authority websites.

Almost all of our coal is transported by train. The moisture in coal helps suppress dust, but we take additional steps to reduce dust lift-off. This includes loading trains using the preferred garden-bed profile and, where practical, positioning coal stockpiles to minimise their exposure to dominant winds. We also have automatic wind speed alerts in our Coal Handling and Processing Plants (CHPPs) that trigger air quality inspections. Some coal is trucked to our Gunnedah CHPP; these trucks are covered before they leave the point of loading and remain covered up until the point of delivery, mitigating dust lift-off as they travel on regional roads.

We also voluntarily participate in the Namoi Region Air Quality Monitoring Project. The project's results indicate that air quality in the Namoi Valley is among the best in NSW, a tangible demonstration of our capacity to adhere to the strict dust management controls that apply to mining operations.

Land use and biodiversity

The vast majority of the almost 79,000 hectares of land we own in North West NSW and Queensland is not involved in mining activities; in fact, only about 4.6%, or less than 3,650 hectares, of our land is involved in current mining activities. Where mining activity intersects with agriculture, we aim to put land to productive use, to ensure non-mining land continues to contribute to a diverse local economy. To that end, more than 41,000 hectares of Whitehaven-owned land is currently used for agricultural purposes. This includes land licensed to local farmers for productive agricultural activities such as grazing or cropping. We also lease land to Gunnedah High School for its agricultural department.

We have more than 22,000 hectares of land managed as biodiversity offset areas. These established conservation areas offset impacts that cannot be avoided, managed or mitigated due to the nature of the coal resource. Advice from independent experts and regulators guides how we select and incorporate offset areas into our biodiversity estate, to ensure they represent like-for-like (or better) biodiversity values compared to the area affected by our operations.

Rehabilitation

We progressively rehabilitate mine sites in consultation with relevant stakeholders. The objectives of our rehabilitation include:

- establishing safe, stable and non-polluting landforms
- establishing constructed landforms that incorporate micro-relief patterns consistent with the surrounding topography
- restoring ecosystem functions, including establishing self-sustaining flora ecosystems
- establishing woodland vegetation, grasslands and/or vegetation suitable for agricultural final use
- minimising the visual impact of final landforms as far as is reasonable and feasible.

During FY20, we undertook significant rehabilitation and offset-related work, including:

- rehabilitating 103 hectares of land on mine sites
- planting 106,917 trees in offset areas
- revegetating 1,709 hectares of land in offset areas.

	FY20	FY19	FY18	FY17	FY16
Total land owned (hectares)	79,421	74,499	75,460	67,601	65,430
Total land leased (hectares)	42,144	37,768	32,101	27,920	29,730
Total land leased for agriculture (hectares)	41,721	37,345	31,711	27,572	29,382
Total land disturbed (hectares)	3,636	3,559	3,168	2,942	2,672
Land involved in mining activities (%)	4.6	4.8	4.2	4.4	4.1
Total land rehabilitated in financial year (hectares)	103	133	83	15	103
Total land rehabilitated – cumulative (hectares)	1,087	884	751	668	653
Total land-based biodiversity offset (hectares)	22,087	20,371	20,078	21,741	20,078

Sunnyside mine rehabilitation progress

We concluded mining operations at our Sunnyside mine in FY20, with the site moving into decommissioning and final rehabilitation. This involved bulk earthworks, including overburden haulage into the open cut,

landform shaping, soil placement and spreading.

This work is scheduled to be completed in November 2020. The final landform will have a free-draining void to allow water

to drain away from the void when it rains and into the surrounding landscape. We will return pastures to the flats and woodland to the slopes, to represent the surrounding vegetative communities.

July 2018



July 2020 final stages of backfilling & topsoil spreading



Trialling topsoil alternatives at Maules Creek

Amid one of the driest periods on record in North West NSW, a trial of a topsoil substitute novel to the mining sector has delivered a range of positive environmental outcomes at our Maules Creek mine.

Hydromulch – a biodegradable mix of paper or wood fibres, seeds and fertiliser – creates a hard surface that holds in seeds and nutrients. Hydromulch can be used to create a seed bed in areas where you might not ordinarily be able to have one, and while it is commonly used in civil construction, the mixture is less common in the mining industry.

Hydromulch uniformly distributes seeds and ensures that they bond to the surface, which means they're less likely to be washed away during rainfall or blown away in the wind. It also creates a microclimate conducive to the seed establishing and forming a vegetative cover.

This cover, in turn, helps stabilise slopes. An established topsoil layer, or substitute in the form of hydromulch, has the added benefit of controlling erosion and suppressing dust, particularly relevant during periods of drought.

We wanted to see if hydromulch could be used to establish a topsoil cover on steep slopes where regular topsoil placement may have some potential to experience erosion. Starting in June 2019, we used hydromulch on one part of the steep mine boundary at our Maules Creek mine, then compared that to an adjacent area where we used regular topsoil. The trial area was difficult to access with equipment, and the slope was reflective of the peaks and troughs that will form part of the final landform once mining ends at Maules Creek.

There was no rainfall until February 2020. However, when the rain did fall, vegetation grew in the hydromulch trial area. The hydromulch appeared to protect the vast majority of the seeds.

Hydromulch also limits dirty water run-off, as water isn't flowing over dirt. The hydromulch in the trial created a sealed surface that remained intact until the vegetation began to grow.

These promising early results suggest that hydromulch could be used as a topsoil substitute to stabilise slopes; minimise dust and dirty water run-off; and establish vegetation, particularly during dry periods. We will consider using hydromulch as part of our rehabilitation and other environmental management strategies.

Before



After



Noise management

We are required to comply with stringent noise guidelines set by the NSW Government.

We minimise our noise impacts through a range of measures, including using predictive meteorological systems to plan our operations and deploying sound attenuation on mining equipment. Real-time monitoring also allows us to adapt our activities to minimise noise impacts.

Waste and recycling

We generate various types of waste during exploration, construction, operation and closure activities across our mining facilities.

Our approach to mineral waste management includes segregating and storing overburden and coal reject materials in waste emplacements, which are designed to be safe, stable and non-polluting. Where possible, we segregate recyclable materials and engage specialist contractors to collect and process them.

The Whitehaven Group does not own or operate any active tailings dams.

Compliance

In FY20, we received a Suspension Notice from the NSW Resources Regulator following alleged breaches of conditions of an activity approval for Exploration Licence 6243. Following identification of these alleged breaches, we took immediate corrective action, suspending all exploration activity and commissioning an independent audit and investigation to determine necessary corrective actions, cooperating fully with the Regulator.

We also entered into an Enforceable Undertaking with the NSW Environment Protection Authority, which included payment of \$120,000 to the Environmental Trust, for hazardous waste disposal at the Narrabri landfill.

In FY20, we received a total of \$60,000 in fines relating to eight administrative, noise, water and biodiversity matters.



Health
& safety.

The safety of our people, workplaces and the communities around us comes first. No single aspect of our operations is more important than ensuring every member of our workforce gets home safely to their families and loved ones at the end of each day. This is why safety is a critical component of our growth plans, and why we continue to invest in a comprehensive workplace health and safety (WHS) regime to support continual improvement in safety outcomes even as production increases.

We run a range of initiatives under our overarching Safehaven program to embed safe work practices and develop our safety culture. Our safety programs are aimed at people at a range of career levels, from those starting out in the mining sector to those with extensive work, management and leadership experience.

Our operational safety focus is complemented by a growing suite of health and wellbeing initiatives. These include education and awareness campaigns on topics ranging from injury prevention and fatigue management to physical activity, nutrition and mental health.

Record safety performance

FY20 marked the second year of the implementation of our health, safety and training strategy, with key programs to build our safety culture at all levels of the business continuing. FY20 saw us deliver a record-low total recordable injury frequency rate (TRIFR) for the business of 4.13. This record result was thanks to a combination of Group-wide and site-specific initiatives to address specific issues and trends with targeted training and actions. It was also achieved in the context of the development and rapid implementation of our COVID-19 response plan, which helped keep our people and their families safe, and supported continuity of production and employment.

Importantly, additional investment in executive-level leadership in FY20 resulted in the creation of a new standalone Health, Safety & Environment (HSE) function reporting directly to the Managing Director and CEO. The elevation of HSE to an executive-level position is a clear recognition of the growing task we face in ensuring the safety and wellbeing of our people across all our offices and sites.

In FY20, we also reviewed our critical control monitoring program, which is designed to ensure controls are in place and verified to prevent fatalities. Throughout this process, we reviewed and identified potential new fatal risk scenarios and reevaluated the critical controls for the existing scenarios.

	FY20	FY19	FY18	FY17	FY16
Fatalities	0	0	0	0	0
Total recordable injury frequency rate per million hours worked (TRIFR)	4.13	6.2	6.9	7.4	10.6

Helping to keep our people and communities safe throughout COVID-19

The global outbreak of COVID-19 represented a serious and continuing risk for countries, communities and businesses.

Within the Australian mining and resources sector the initial response was focused on ensuring the personal safety of staff and contractors and, crucially, maintaining continuity of operations. Over time, the comprehensive range of COVID-19 risk mitigation measures adopted within the mining sector became a best practice model for others.

As the virus spread through Australia during FY20, we took a number of steps to keep our people safe and limit viral transmission, including:

- Banning non-essential travel
- Implementing work-from-home practices for employees in non-operational or non-business critical roles, and ensuring our IT systems were able to support the increased number of people working remotely
- Restricting non-essential access to our mine sites, conducting temperature checks upon entry to sites, and implementing a self-assessment and declaration process at on-site login kiosks on site, as well as a new fitness for work procedure
- Postponing large gatherings such as our Safehaven conference and contractor safety forums

- Transitioning face-to-face training and inductions to e-learning packages wherever possible
- Reviewing cleaning and sanitation, and increasing stocks of cleaning and hygiene products
- Sourcing additional critical products, personal protective equipment (PPE) and health supplies as required
- Adjusting operations to practice social distancing wherever possible, including by breaking up pre-starts into multiple groups and/or moving them outside where possible; reducing the number of people in vehicles; and implementing roster changes to stagger start times
- Sharing new information with our people through a range of channels as it became available
- Communicating our response to the local community via our website and advertising, and updates to our Community Consultative Committees
- Offering to credit Special Personal (Sick or Carer's) Leave to cover self-isolation.

Well before the virus was detected in Australia, we worked closely with our commercial partners and suppliers to maintain continuity of supply of products, particularly as international logistics chains became disrupted. As global demand for essential PPE and cleaning products, such as masks

and hand sanitiser, peaked in early 2020, our procurement team worked closely with existing and new suppliers to ensure regular supply of these items. Alongside our sites and offices, we carefully monitored consumption and stock holdings of these products. Further, suppliers of labour services were impacted by interstate and intrastate travel restrictions, and reduced transport services. We were in constant contact with our partners to ensure an uninterrupted supply of the goods and services needed to maintain operations.

We participated in state and national industry association working groups specially convened to develop and implement a range of COVID-19 response measures designed to keep employees safe and minimise the operational impacts of COVID-19 restrictions such as border closures. This ensured continuity of operations at pre-COVID levels. Indeed, the resources industry was widely recognised for its comprehensive response, which quickly became a model for other sectors.

No cases of COVID-19 among the Whitehaven workforce were recorded during FY20.

We continue to manage risks arising from COVID-19 appropriately and proportionately, working as normally as possible while planning for a range of possible scenarios.

Sustaining our safety culture

Throughout FY20 we continued to implement a range of programs tailored to supervisors, employees and contractors.

Our Safety Leadership program outlines the safety standards we expect and offers coaching and mentoring to help supervisors meet those standards. In FY20, 74 participants successfully completed the safety leadership induction.

We continued our quarterly safety focus briefings, with topics including slips, trips and falls; fatigue management; and establishing a safety culture. These focused toolkits are aimed at the broader operational workforce. They are integrated with our behavioural-based safety approach, which links workplace safety to individual priorities and fosters personal ownership of safety at work.

The focus on hazard reporting intensified in FY20 with, following successful implementation at our

Maules Creek mine, the roll-out of new hazard reporting booklets across all operations. This approach was extended at the Narrabri mine through the 'Find it and fix it' program detailed below.

We also welcomed a record number of attendees at our Contractor Forum in November 2019, with more than 300 representatives from contracting companies joining us to stay up to date on the health, safety and training initiatives at our sites.

Find it and fix it: Hazard identification, rectification and reporting

In response to incident trends within the contract company crews at our Narrabri underground mine, the safety team took the opportunity to trial a new approach to keep hazard identification, rectification and reporting front of mind.

The team added 'Find it and fix it' sheets to the Take 5 safety checklists each member of the workforce completes throughout each shift. These sheets included a few simple questions:

- What is the hazard?
- Have you eliminated or controlled the hazard?
- If not, have you reported it to your supervisor?

A random sample of collected sheets are reviewed each week.

"The aim is to keep safety front of mind, and to encourage people to take the extra time to stop an accident before it happens," said Scott Ginnivan, Safety and Training Superintendent.

"We're asking teams to share how a hazard has been identified and fixed, no matter how small - to tell us the good things they do to help prevent accidents every day."

By recording hazards identified, fixed and reported in this way, the safety team has been able to identify where crews might need extra support and deliver training in those areas.

"With 'Find it and fix it' we're reminding people that if you take that extra minute to fix something up, you've helped your mates. And we've already seen the difference - our crews are spending more time checking out their work area before they start work," added Scott.

"All the little things add up, and we want to keep promoting good standards in new ways, so we don't get complacent but keep improving our safety record as we grow."

Going beyond standard mine spec to reduce dust exposure

Our Similar Exposure Group program is used to identify groups expected to have the same exposure to a physical or chemical hazard – that is, people who have similar tasks, frequency of tasks, controls and hazards. From this information we can sample a representative number of workers in each group to establish a risk profile, which in turn helps us to investigate and implement targeted controls.

In response to the re-emergence of chronic respiratory illness in a number of industries including mining, the Maules Creek team identified an opportunity to reduce dust exposure among drill rig operators at our Maules Creek mine. The maintenance team at Maules Creek looked at a range of ways to reduce the amount of dust entering drill rig cabins, including checking the endurance of door seals, fitting on-board wash-down units to wash away material that settles on the exterior of the cabs, and re-engineering the cabin mountings to prevent cracking.

The team identified that cabins were not pressurising correctly and, after investigating a range of filtration systems, opted to install High Efficiency Particulate Arrestance (HEPA) dust filtration systems into the cabins of drill rigs.

While drill rigs already have standard cabin pressuriser systems, the new HEPA system is superior as it has a variable displacement motor that monitors the existing pressure of the cab and adjusts its output accordingly, constantly maintaining the set pressure. This type of system is not standard on mine equipment and, historically, has not been commonly used at coal mine sites.

The selected system uses more sensitive filters, resulting in less dust entering cabins, which lowers personal worker exposure, and therefore the risk of dust-related lung disease. Finally, system data is downloadable, allowing the maintenance team to proactively diagnose issues.

A real-time dust assessment on two drill rigs at Maules Creek, conducted by Coal Services in February 2020, compared the airborne dust collected in the cabins of a rig fitted with the HEPA dust filtration system to that of a rig fitted with the old filtration system. The test found the drill rig fitted with the HEPA system maintained 56% less airborne dust, confirming the effectiveness of this novel application. This is validated by positive feedback from operators, who attest to a visible improvement in the condition of the cabs, and we will look to progressively roll out the system across all mobile equipment.

Fitness for Work review

In FY19, we commissioned an independent review of our Fatigue Management Standard and associated documents and processes and, in FY20, we implemented the recommendations arising from this review. The implementation program included updating our standards related to Fatigue Management and Alcohol and Other Drugs, revising and refreshing fatigue training, improving our processes for monitoring hours worked and approving rosters. We have moved to mandatory breath alcohol testing, with a zero alcohol limit for all personnel, contractors and visitors to our operational sites to ensure everyone presents to work free from the effects of alcohol.

Bolstering our training efforts

This year, we established a second training room at our Gunnedah-based training centre, providing an additional facility to deliver training to more than 2,000 people in FY20.

We developed and rolled out more than 130 e-learning training packages in subject areas such as inductions, workplace health and safety, and engineering, to make training more efficient and flexible.

In addition, we started development of new open-cut equipment familiarisation training packages to help members of the workforce transition between different equipment models.

We also delivered a course developed by the NSW Resources Regulator that shared learnings from previous mine disasters in the industry, across all of our NSW-based operations.

Mental health

In FY20 we transitioned to a new provider for our confidential Employee Assistance Program (EAP), available for all employees and their immediate families 24/7. The new provider offers more accessible face-to-face services, with a psychologist-level of service available to all. Our new provider has a network of clinicians ensuring the appropriate level of treatment in response to individual circumstances, and offers a more structured approach in the event of a critical incident. In early FY21, we mobilised the EAP in Gunnedah and offered support services for a two-week period to the whole community in response to a traumatic incident that had occurred in the local community.

In FY21 we will implement a mental health program for front-line leaders, workplace health and safety personnel and any others interested in helping teammates who may be struggling to seek out the support they need. The program will include training to develop skills to recognise teammates who may be struggling, raise issues sensitively, and connect people in need to appropriate support such as the EAP, or a mental health service, general practitioner or hospital.

Encouraging our people to get active

The 2020 Healthhaven Challenge attracted 121 participants in the Steps Challenge, 78 participants in the Elite Active Minutes Challenge and 264 Health Assessments.

The eight-week challenge aims to encourage employees to live healthy and active lives. Employees first undergo a comprehensive health check before competing against colleagues across Whitehaven's sites for prizes.

COVID-19 restrictions unfortunately meant that health assessments could not be conducted following the conclusion of this year's challenge. Nonetheless participants clocked up an outstanding 64,773,453 steps and 375,634 active minutes.

Stepping out for health

Andrew Alloway, a supervisor at the Maules Creek Mine, logged more than 1.2 million steps over the eight-week Healthhaven challenge.

While he considered getting involved in the challenge last year, 2020 was the first year Andrew got involved.

“I did want to improve my health and set a good example for my kids, but I also have a very competitive streak, and signed up to beat a teammate who does triathlons ... which I did!” said Andrew.

“Where we live, I found myself driving a lot. For the challenge, I started walking everywhere, and

it changed my mindset. I’ve got four kids, and during Coronavirus, the challenge was a good way to get out of the house too. And at work I’d be doing laps around the crib room or down the hallway.”

Over the eight weeks, Andrew lost about 20 kilograms, but he says the impact has gone far beyond the weight loss.

“It’s a team-building experience with my workmates, so not only is it good for your health, it’s good for your mental health as well,” said Andrew. “The challenge has seen us all walking a lot more, and my eldest daughter walks everywhere with me now. It didn’t just change me, it changed my whole family.”





Our
people.

During FY20, we established a new, fully integrated People & Culture (P&C) function to develop and implement a strategic human capital agenda in line with our business strategy and growth plans.

We have identified five strategic priority areas to guide our people plans, processes and performance over the next five years.

1. **Introduce functional and user-friendly systems:** develop solutions that decrease unit costs, are simple to use, improve consistency and reduce the time to resolve issues
2. **Invest in a high-performance culture:** lead the development of our Whitehaven culture, deliver continuous performance management and increase employee engagement
3. **Improve employee productivity:** develop and implement flexible and efficient working arrangements in an environment of increasing regulation and change
4. **Build leadership, capability and talent:** cultivate employee and leadership capabilities while accelerating the growth of talent
5. **Ensure fit-for-purpose remuneration and governance:** develop policies, standards and processes that protect the business and enable leaders to meet commercial objectives.

Our enhanced P&C function is building stronger relationships between Group-based strategy roles and site-based HR implementation roles. We are extremely proud of our status as one of the largest private sector employers in North West NSW, and we continue to invest time and effort toward communicating the rewarding career opportunities available to individuals and families in the area.

Our people-focused achievements throughout FY20 include the introduction of systemised performance review processes across all sites; the consolidation of external vendor relationships to reduce costs; the creation of an Enterprise Agreement subcommittee to support employee engagement on a range of issues; and the development of more streamlined recruitment processes.

We also launched our *Speak Up* policy to demonstrate our commitment to conducting business honestly, with integrity and in accordance with our values and standards of expected behaviour. We remain completely committed to promoting a workplace culture and environment in which every individual feels safe and supported.

Our next employee engagement survey will take place in CY20. The survey results will contribute to plans to roll out and reinforce our STRIVE principles in meaningful and real ways in FY21. The survey will also seek feedback on our people's experiences during the COVID-19 pandemic. It will particularly consider the experiences of those who were required to work from home, and how working remotely impacted their wellbeing, productivity and engagement with their work and colleagues. We are incorporating insights from this process into a new flexible working policy to support those who wish to continue working remotely.



“I’m excited to see the energy and enthusiasm our new P&C team is bringing to Whitehaven, and particularly pleased that we’ve attracted great new talent to the Gunnedah region in the process.”

Leigh Martin,
Executive General Manager -
People & Culture

Our STRIVE principles represent how we work and guide our interactions internally and with external stakeholders.



Safety



Teamwork



Respect



Integrity



Value



Excellence

Inclusion and diversity

We recognise that diversity and inclusion in the workplace adds value to our company and communities, especially in the areas of workplace efficiency, safety and productivity. We recruit and promote based on merit and, consistent with our principles, we treat one another with respect and do not tolerate bullying, discrimination or harassment in any form. Consistent with the Board's strategic commitment to steadily increase female participation in our workforce, we will roll out targeted initiatives in 2021. We continue to deliver strong outcomes for local Indigenous people aligned with the objectives and measures detailed in our Stretch Reconciliation Action Plan.

In FY20 we met our objective of growing female participation across the business. Women now represent 12.2% of our workforce, slightly below the coal-mining industry average of 14.4%.¹ The impact of staff shortages at our Maules Creek Operation caused a roll-on impact on our female participation numbers, though this is turning around through a targeted female operator employment program that commenced in August 2020. Over the past year, we welcomed 12 more women, including two to our Executive Leadership Team. This is an increase of 9% in the number of female new recruits over the previous year. Overall, we increased the proportion of women in senior management to just under 10%, from about 5.5% in the previous year. Further detail for the period 1 April 2019 to 31 March 2020 is available in our report on the Workplace Gender Equality Agency website.



“I’m excited about the opportunities to grow at Whitehaven, including participating in the WIMnet Mentoring Program. Being able to learn from someone who can share her knowledge and experience is invaluable.”

Sara Melbourne,
Underground Geologist, Narrabri

We continue our proud partnership with Women in Mining (WIMnet) NSW. This includes sponsorship and participation in its Mentoring Program, which connects women at the start of their career with resources industry leaders. The program provides our emerging female talent with opportunities for mentorship and networking with leaders within the mining industry, allowing them to learn through exposure to others' experiences and guidance. Feedback about the program has been positive, and participants have said they've developed deeper insights into their own career aspirations and formed long-lasting relationships. In FY20, five of our emerging female leaders participated in the six-month program.

We continue to evaluate and standardise the recruitment process to ensure there is no bias or prejudice in our hiring practices. The engagement survey to be undertaken in FY21 will contribute valuable workforce insights that will inform future diversity initiatives.

Talent pipeline

Throughout the second half of FY20, the P&C function focused on recruitment, including by providing an improved candidate selection and hiring process.

We are passionate about supporting people at the start of their careers and offering opportunities for development. We offer a range of pathways for those starting their careers gain meaningful work experience, including through apprenticeships, traineeships, cadetships, vacation programs and our graduate program. We continually improve these programs based on the feedback we receive from participants. In FY21, we will establish a Group-wide Trainee Program, which will offer participants both entry-level employment and the opportunity to gain a nationally recognised qualification.

We recognise the critical importance of our frontline leaders, who are fundamental to achieving our operational objectives, fostering workforce engagement across our sites and contributing to a positive culture. In FY21, we will develop and pilot a Frontline Leadership program to help our people build their people management and leadership skills.

¹ Workplace Gender Equality Agency

Indigenous employment

Our Indigenous Employment Strategy helps transform and empower the lives of Aboriginal and Torres Strait Islander people through meaningful and well-paid work. We are proud to have exceeded the ambitious goal we set in 2015 to ensure that 10% of roles at Maules Creek would be filled by Aboriginal and Torres Strait Islander employees, reflecting the proportion of Aboriginal and Torres Strait Islander people in the local community more broadly.

Today, there are 150 Indigenous employees at Maules Creek, including two apprentices, representing around 20% of the workforce at that site. There are 219 Indigenous employees across the Group. This represents approximately 9% of our total workforce and we have committed to applying a 10% Indigenous employment target to our Vickery Extension Project. In FY20, approximately \$24 million in salaries and wages flowed back into local communities through members of our workforce who identify as Aboriginal or Torres Strait Islander.

In FY20 we forged a new partnership with Gomerai-Maranoa to recruit Aboriginal and Torres Strait Islander employees and contractors from other mining regions across Australia. Towards the end of FY20, we employed the first Indigenous operator at our Maules Creek mine through this program.

“I don’t have an average day at work – I make sure of it. Every day brings new challenges and new opportunities to learn.”

Tyler Mills, Electrotechnology Electrician at Narrabri Underground, and New England Aboriginal and Torres Strait Islander Apprentice of the Year



Over the past financial year we also shared the successes and lessons from our Indigenous Employment Strategy, as well as our other community engagement efforts, with the Minerals Council of Australia’s Indigenous Community of Practice Group.

In the 2020 calendar year, as we finalise the delivery of the commitments outlined in our Reconciliation Action Plan (RAP), we are also developing our next RAP. It will look to extend our successful Indigenous Employment Strategy, with a focus on diversifying roles and job opportunities, and helping more Indigenous staff members transition into management roles.

We are extremely proud to continue to work with our partners at the Winanga-Li Aboriginal Child and Family Centre in Gunnedah to deliver cultural awareness training to members of our workforce. Although physical events have been curtailed by COVID-19, we continue to mark National Reconciliation Week and NAIDOC Week.

Our talent pipeline is also strengthened by other activities designed to address Indigenous disadvantage in our communities, detailed on page 61.

Employee relations

Employee relations plays a critical role in any organisation with a large industrialised workforce. Around 65% of our people are covered by collective bargaining agreements. For this reason, we are bolstering our focus on employee relations as a key business driver, with a new team focused on improving flexibility, productivity and cost efficiency. Throughout FY20 and into FY21, our strategic objectives in the employee relations space include:

- **Design, deliver and manage our new Employee Industrial Relations Strategy.** This strategy will focus on maximising productivity and flexibility in our employment arrangements through enterprise agreements (EAs) and other employment arrangements that are fit for purpose. It will ensure we meet our productivity objectives and manage labour costs effectively.

The strategy will also aim to minimise operational risks arising from industrial action by building strong employee engagement and contingency planning.

- **Ensure compliance with all applicable workplace obligations.** Aligning with our principle of Integrity, we are committed to meeting all our workplace compliance obligations arising from awards or EAs, or through the Fair Work framework.
- **Develop the capability of our leaders.** Our newly formed P&C team will work in partnership with operational leadership to influence and equip the business with the capabilities and skills to apply existing employment arrangements, build employee engagement and communicate effectively. It will also partner with operational leaders in EA planning and negotiation, and provide support in implementation and delivery.

We continue to use labour hire to provide flexibility when responding to operational changes, whether they be short-term changes or to ramp up or down for the longer term.

The conclusion of a number of EAs over recent years has made a permanent role more attractive for those within the labour hire workforce, and we have been actively looking to provide pathways to permanent employment for those who seek it. The Gunnedah CHPP EA ended in May 2020, and at reporting date we were in the process of negotiating a new EA.

	FY20	FY19	FY18	FY17	FY16
Number of employees	1,187	1,062	1,027	960	843
Number of full-time equivalent contractors	1,364	1,362	1,224	941	833
Wages and salaries (\$m)	209.1	189.9	172.1	159.4	139.3
Female representation (%)	12	13	10	11	10
Proportion of workforce identifying as Indigenous (%)	9	9	11	11	11
Total employee turnover (%)	17	23	22	18	19



Community.

A core objective of ours is to see the benefits of our operations extend beyond our direct workforce and the life of any single mine, and with a bias towards the communities immediately surrounding our mining operations.

Around 75% of our workforce lives in the towns around our operational footprint and, as the largest private employer in North West NSW, we play a significant role in sustaining and building capacity in these communities. Whether through salaries and wages, locally-focused procurement, infrastructure investment, voluntary payments to councils or discretionary donations and sponsorships, we are proud of our support for the regional economy and society.

We employ a range of methods and tools to engage with local stakeholders meaningfully, effectively and respectfully. We acknowledge legitimate concerns about mining exist and we seek to address these in a timely manner through early engagement and information sharing, or through formal complaint and issues resolution mechanisms.

In FY20 we further enhanced our investment in local community engagement and communication in North West NSW with the elevation of responsibilities in this area to General Manager-level and the appointment of an experienced leader based in Gunnedah. We also

appointed an additional resource to our Aboriginal Community Relations team, reflecting our continuing focus on addressing local Indigenous disadvantage and the need to interact with a growing number of stakeholders in this space. The team is focused on developing respectful enduring relationships by actively educating and building understanding in our communities, through Community Consultative Committees, engagement with councils, business chambers and other local business forums, local supplier briefings, as well as community drop-in sessions, mine open days, tours, school engagement, and more.



Listening to our communities

We undertake independent qualitative and quantitative sentiment testing in our local community approximately every 18 months. This statistically significant polling across the Gunnedah, Narrabri, Tamworth and Liverpool Plains Local Government Areas (LGAs) shows our reputation has improved consistently over the four waves of research (conducted over a total of five years) and, in May 2020, recorded its highest net positivity rating since the first study in 2015. The proportion of people aware of Whitehaven who

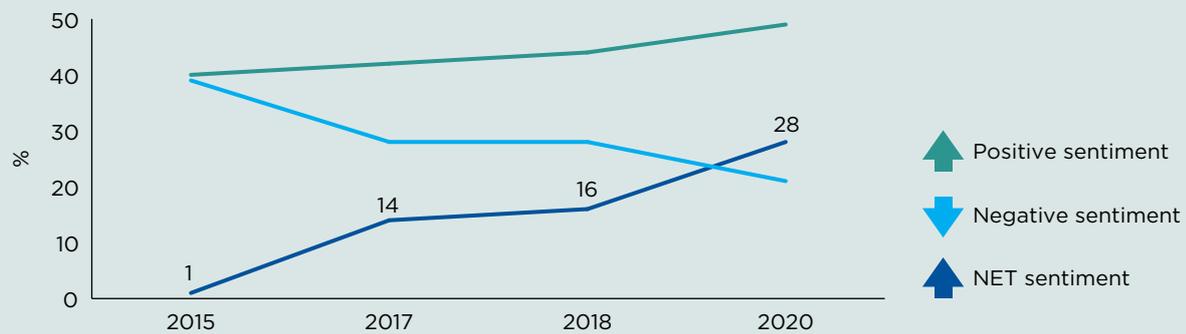
hold a positive view of the company is 49%, up from 44% in 2018, with only 21% feeling negatively towards the company, down from 28%.

Performance across social and environmental benchmarks has also improved since 2018, with 77% of respondents agreeing Whitehaven makes the economy stronger and more resilient (up from 65% in 2018) and a higher proportion of respondents agreeing Whitehaven takes care of the local environment as compared with the previous wave (net agreement 42%, noting

25% express a neutral position). 56% of respondents say they are proud of Whitehaven as an Australian company, up from 49%.

This research also suggests that while some more recent changes, such as the refreshed Whitehaven website and an enlarged Community Engagement team, have been welcomed, there is a need for even further proactive and transparent local engagement, which, as with previous surveys, guides our engagement approach.

Local community sentiment towards Whitehaven Coal



Source: Independent quantitative research conducted by Newgate Research. Base: All participants who are aware of Whitehaven Coal: 2020 (n=561), Tamworth (n=134), Gunnedah (n=145), Narrabri (n=143), Liverpool Plains (n=139). 2018 (n=568), 2017 (n=565). 2015 (n=574)

Sustaining regional economies

We are proud to be able to contribute to the resilience of the regional economy in North West NSW, particularly given the ongoing drought and COVID-19 pandemic, with our majority locally-based workforce spending wages in the region, and our commitment to local procurement providing stimulus for locally-based enterprises.

Consistent with our local employment focus, we are a major supporter of regional SMEs and spent \$365.4 million with local suppliers in FY20. Of this, \$3.15 million was with nine Indigenous businesses for goods and services ranging from on-site training to office supplies.

We are active members of local business chambers, including the newly-formed Boggabri Business Chamber, to help build relationships and better understand how local

businesses can work with us, and what Whitehaven can do to build up regional business capacity. To support this, we hosted a number of local business groups at our mine sites in FY20 to build relationships and mutual understanding of our respective businesses.

Throughout the COVID-19 pandemic, we have sought to source essential items such as hand sanitizer and spray bottles for our sites and offices locally.

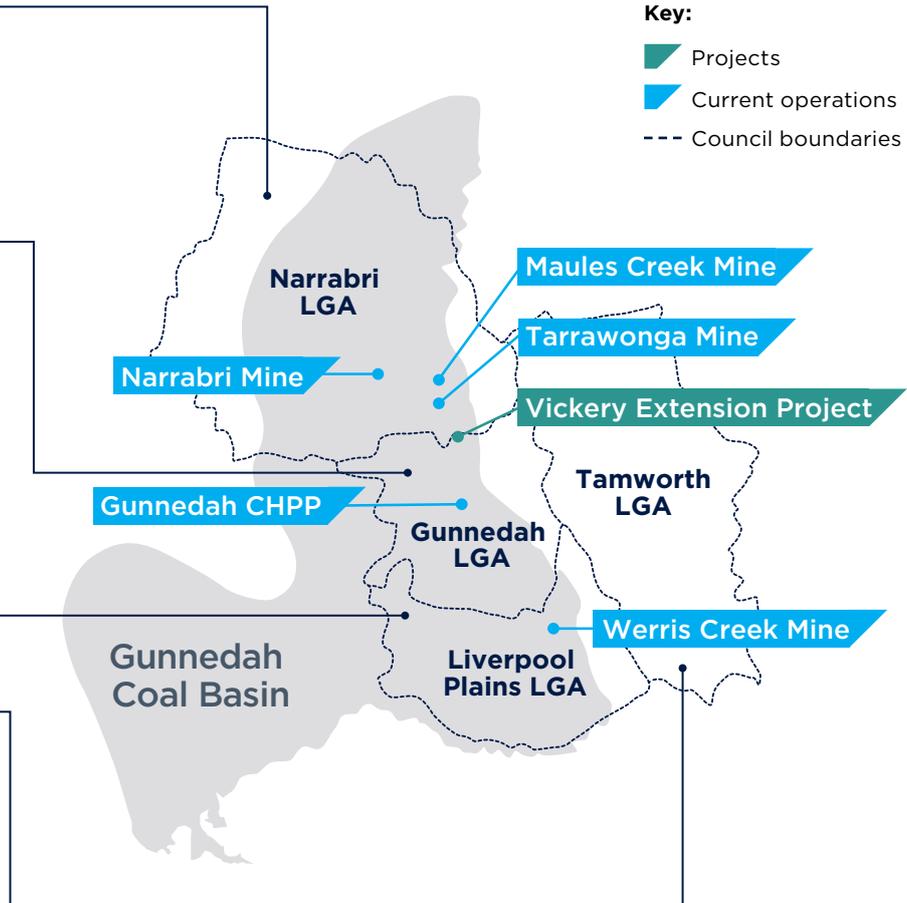
Economic contribution to North West NSW in FY20

Narrabri LGA	
Wages and salaries	\$35.7m
Number of suppliers	89
Procurement spend	\$53.7m
Council rates & VPA payments	\$1.5m

Gunnedah LGA	
Wages and salaries	\$63.9m
Number of suppliers	145
Procurement spend	\$276.7m
Council rates & VPA payments	\$1.3m

Liverpool Plains LGA	
Wages and salaries	\$8.0m
Number of suppliers	22
Procurement spend	\$2.9m
Council rates & VPA payments	\$0.4m

Tamworth LGA	
Wages and salaries	\$18.8m
Number of suppliers	80
Procurement spend	\$32.1m
Council rates & VPA payments	\$0.01m



	FY20	FY19	FY18	FY17	FY16
Taxes and royalties paid to governments (\$m)	244.2	323.8	283	226.3	166
Payments to businesses and suppliers in North West NSW (\$m)	365.4	333.9	293.2	237.7	203
Payments made to all other suppliers (non-local) (\$m)	1,270.1	1,202.9	1,107.4	990.2	889.8
Number of suppliers in North West NSW	336	328	315	311	345
Payments made to Indigenous suppliers (\$m)	3.15	1.83	-	-	-
Number of Indigenous suppliers	9	18	-	-	-
Voluntary planning agreement expenditure (\$m)	0.61	0.73	1.75	4.13	3.41
Donations and sponsorships (\$m)	0.42	0.52	0.45	0.30	0.22

“Whilst we have great infrastructure for a small town, our businesses have struggled immensely with the drought, the COVID pandemic and small business recession. Without the ongoing support of the mining industry, I doubt that some of our business would exist today. As Boggabri business people, we want to celebrate Boggabri as a diversified town proud of both our agriculture and mining heritage and we are determined to work together into the future to create prosperity and opportunity, nurturing our businesses and the Boggabri community.”

Joanne Bell, President, Boggabri Business Chamber

Multi-million dollar upgrade at Tarrawonga helping to keep local businesses going strong

Businesses in North West NSW partnered with Whitehaven Coal on a \$126 million upgrade at the Tarrawonga open-cut coal mine, with the project managed and delivered entirely by local businesses.

The upgrade supported the mine's ramp-up to its approved production rate of 3 million tonnes per annum, and included construction of a new office, workshop, roads and carparks, an electrical and mechanical upgrade to the Coal Handling Plant, and supply of equipment including a new fleet of diggers and trucks.

Local companies involved included Stripes Engineering, MANY Fabrication & Engineering, PCC Electrical, Pettona Services, Specialised Civil Services, Hitachi, and GBP Cranes. Glenn Many of Many Fabrication & Engineering, which led the fabrication, installation and componentry for the CHP upgrade, said that working on major projects with miners like Whitehaven has helped his business weather the downturn in the agricultural sector.

"Unfortunately over the last 18 months or so we've seen the agricultural side of the company take a huge hit. We've had to diversify and we've been able to adapt to make up the shortfall from agriculture," said Glenn.

"We've got about 36 employees and six apprentices, ranging from first- to fourth-year, and projects like this have helped keep the company afloat. We haven't laid anyone off – in fact we've been able to employ people who live locally, including farming people from around the area. The reality is if we weren't doing these types of projects, we wouldn't be around.

"The team at Whitehaven are big advocates for local supply and local people, and we've had an opportunity to show we're here and we can do the job. It's building up the local skills in the area, so companies like Whitehaven know they have the resources to do these major projects without going out of town or interstate."

Andrew Semmler, General Manager of Stripes Group, said projects like the Tarrawonga upgrade help maintain a skilled workforce locally.

"We have around 85 employees, about 95% of whom live locally – and the consistency of work with Whitehaven, including the Tarrawonga upgrade, has allowed us to sustain our employee base. The ongoing support gives us the confidence to engage new apprentices each year."

"We're pleased to partner with local businesses, first and foremost because they provide quality services and solutions," added John Hamson, Operations Manager at Tarrawonga.

"This upgrade project means we can not only improve productivity and reliability when it comes to getting coal out of the ground, but importantly, we have better facilities for our teams across both operations and maintenance."

Pictured: Greg Bonett and Anthony Mingay (Hitachi Construction Machinery Australia), Rick Chorley (Power Control & Communications), Glenn Many (Many Fabrication & Engineering), Lachlan Gourley (Power Control & Communications), Rob Eyre (Whitehaven), Andrew Payne (ADP Contracting), Andrew Semmler (Stripes Group) and Daniel Hawkins (GBP Cranes) at Tarrawonga Mine.



Addressing Indigenous disadvantage

We work in close partnership with Aboriginal and Torres Strait Islander people connected to the land where we operate to address disadvantage and help create stronger families and futures for Aboriginal and Torres Strait Islander people in North West NSW and in Queensland's Bowen Basin.

Our approach is specifically designed to be intergenerational in nature, with a focus on addressing disadvantage through initiatives across early childhood education and support, schooling, skills development and employment.

This holistic approach provides intergenerational support for children and their families, our employees and prospective employees, so local Indigenous people see their immediate needs being addressed, in addition to creating the socio-economic preconditions for future generations to grow and prosper.

Our efforts extend beyond ensuring the proportion of people in our workforce identifying as Indigenous reflects our community more broadly, outlined in more detail on page 53. Our investment aims to ensure local Aboriginal and Torres Strait Islander people have the self-esteem and confidence to shape more positive futures.

The practical measures we invest in are outlined in our Stretch RAP, launched in mid-2018. In the 2020 calendar year, as we finalise the delivery of the commitments outlined in our RAP, we are also developing our next RAP.



Bob Sutherland, Whitehaven Coal Manager Aboriginal Community Relations with Wayne Griffiths, Manager of the Winanga-Li Aboriginal Child and Family Centre, Ken Wyatt AM, MP, Minister for Indigenous Australians, and Michael van Maanen, Whitehaven Coal EGM - Corporate, Government & Community Affairs.

In FY20 we continued to support program that help people in our communities access health and education including:

- The Winanga-Li Aboriginal Child and Family Centre in Gunnedah and Narrabri, which provides a range of early childhood and family services across the broader region. In recent years, Winanga-Li has been able to expand its operations into Lightning Ridge and Brewarrina, and in FY20 expanded its out-of-home-care services
- The Girls' Academy at Gunnedah High School and Clontarf Foundation at Narrabri High School, both programs that aim to improve school attendance and graduation, as well as build confidence and help young people transition out of school and into work or study
- The Nandewar Wedgetails (Narrabri) and Gomerai Roos (Gunnedah) rugby league teams, and In FY20 we also sponsored the Black Magic and Highlanders rugby union 7s teams, who are culturally affiliated with the Barada Barna People in Queensland. Through these sponsorship we aim to encourage active and healthy lifestyles among young people.

We continue to build connections and understanding within our workforce through cultural awareness training as well as engagement activities throughout the year; while physical events have been curtailed by COVID-19, we continue to mark National Reconciliation Week and NAIDOC Week.

In FY20 we were proud to share the successes and lessons from our Indigenous Employment Strategy, as well as our other community engagement efforts, with the Minerals Council of Australia's Indigenous Community of Practice Group.

"We've been lucky enough to secure some fencing opportunities with Whitehaven which will create employment for five to six families."

Simmone Moodie,
Wambali Fencing Pty Ltd

Gunnedah Girls Academy graduate marks next milestone

Mya McRae is reaching new heights, having obtained her certificate in business administration after graduating high school with the support of Gunnedah Girls Academy.

The Girls Academy program is community led and provides much-needed support to give Aboriginal and Torres Strait Islander girls the tools they need to overcome barriers to achieve at school and go on to further study or employment.

The timetabled program is embedded in partner schools, with an Academy room that acts as a sanctuary and support centre for the girls before, during and after school. Academy staff, the majority of whom are Aboriginal and Torres Strait Islander women, provide mentoring, academic assistance and activities designed to promote cultural connection, health and wellbeing, and empower the girls to become leaders of the future.

Almost 3,000 girls across Australia benefit from the program annually, including more than 300 who continue to be supported for two years after they graduate. With Whitehaven Coal's support, Girls Academy at Gunnedah High School provides 50 local girls the

kind of one-on-one support that changes communities, one girl at a time – including Mya McRae.

Mya started a school-based traineeship in business administration while in Year 11, working with the Gunnedah Shire Council's Cultural Precinct while completing school. After graduating from Year 12 in 2019, Mya continued her vocational studies and in mid-2020 she not only completed a certificate in business administration but also continued on as a casual employee with the Council.

Mya said she relished the overwhelming sense of unity and sisterhood during her time at Girls Academy.

"They were always there to catch me when I was doing it tough and guide me through my final years of school," she said. "They always encouraged me to strive for better and to encourage other young women to be the best that they can be."

Without the guidance of Girls Academy staff, Mya believed she would not have completed her HSC or her traineeship.

"Everyday Girls Academy staff were there to make sure that I had eaten, and I had everything

I needed to succeed," she said. "They would always be there to help explain subjects that I was struggling with and to make sure my mental state was good."

This support has continued well after she graduated, with Girls Academy staff regularly checking in to ensure Mya is doing well and whether she needs any assistance. Mya said Girls Academy had shown her the importance of being there for people who are struggling, and that it was always possible to learn from mistakes so that they weren't repeated.

During her traineeship, Mya acted as secretary for the Gunnedah NAIDOC committee, where she met Whitehaven Coal's Aboriginal Community Relations Manager Bob Sutherland. Mya said Bob's encouragement throughout her traineeship was reflective of Whitehaven's role in the wider community.

"The people who work at Whitehaven are great role models not only for young people in Gunnedah but for our community as a whole," she said. "Much like Girls Academy, they're more like a family that supports the community to create a better future for everyone."



Growing the Clontarf Academy in Narrabri

The Clontarf Foundation exists to improve the education, discipline, self-esteem, life skills and employment prospects of young Aboriginal men and by doing so, equips them to participate more meaningfully in society. Since 2000, the Foundation has grown to more than 9,000 Indigenous students participating in programs across the country.

Whitehaven has been working with the Clontarf Foundation since 2016, engaging with students from the Clontarf Academies at Tamworth and Quirindi through regional Employment Forums and site visits. In 2019, with our support of \$120,000 over three years, Clontarf established an academy at Narrabri High School, with 56 participating students. In 2020, there are 66 young men across years 7 to 12 participating in the program at Narrabri High, some of whom

visited our Narrabri Underground mine this year to learn about the range of career opportunities and pathways into the industry.

Throughout COVID-19, Clontarf supported Narrabri Academy participants and their families even while students were studying from home, including by making house visits to check-in, dropping school supplies including laptops and learning modules, as well as supporting school staff.



Barada Barna – Gomeri Peoples cultural exchange

In September 2019, representatives of the Barada Barna People of Central Queensland had the opportunity to gather ideas for their future engagement with Whitehaven Coal during a visit south to Gunnedah and Narrabri in NSW.

The Barada Barna People are the Traditional Owners of the land in central Queensland where the Winchester South Project is located and were one of the first stakeholder groups Whitehaven formed a relationship with after acquiring the development site in 2018.

As part of this partnership, Barada Barna representatives travelled to North West NSW to learn about Whitehaven’s engagement with the Gomeri People and consider how the two groups can continue working together.

“We appreciated the opportunity to see the work Whitehaven Coal is doing in the communities in which it operates first-hand. We were extremely impressed and look forward to working together in Queensland,” said Greg Brown, Chairperson of the Barada Barna Aboriginal Corporation.

“It was a great opportunity to share our experience as a new Aboriginal owned business that has worked closely with Whitehaven through its Aboriginal Procurement workshop in 2018 to the commencement of our first fencing job,” added Simone Moodie, Contract Manager at Crockett Moodie Fencing, a supplier to Whitehaven Coal.

Whitehaven Managing Director and CEO Paul Flynn said the tour was a unique opportunity to share learnings from Whitehaven’s

work with Aboriginal and Torres Strait Islander communities in the Gunnedah Basin.

“Addressing Indigenous disadvantage through intergenerational support across employment, education, skills development and cultural awareness is at the core of our business and something we take great pride in.

“This is only possible through the relationships we have built over many years with the Gomeri People and the close partnerships we have formed with Indigenous groups in our region. Our established track record in North West NSW is what we hope to replicate in the Bowen Basin. Our partnership with the Barada Barna People is the first step on this journey together,” said Mr Flynn.

Pictured: Representatives of the Barada Barna people and Whitehaven Coal following a Welcome to Country delivered by Greg “Palinka” Griffiths at Bindea – Porcupine Lookout



Investing in community partnerships

As the majority of our employees live in towns and properties around our operations, we are well and truly invested in creating stronger communities together. One way we do this is through discretionary support for a range of charities and community organisations, with a focus on health, education, representative level Indigenous sport as well as those activities that offer a whole-of-community benefit, consistent with our Group Sponsorship and Donations Policy.

In FY20 we made discretionary donations totaling almost \$412,000 to groups including chambers of commerce, service clubs, schools, health services, and sponsorship of community events across both the Gunnedah and Bowen Coal Basins. We continue to be a major sponsor

of the Westpac Rescue Helicopter with a corporate and employee combined contribution of more than \$50,000 in FY20, and donated \$12,000 towards the purchase of a portable ultrasound machine at Narrabri Hospital. We also supported the NSW bushfire relief efforts in January 2020 through the NSW Rural Fire Service and Australian Red Cross, donating \$50,000 to each organisation.

Central to our approach to community partnerships is educating people in our region about our industry. Engaging with local schools and other educational institutions not only helps to address misconceptions about our industry, but also provides information about the diverse range of careers available in the sector, with a view to encouraging young people to stay in the region once they finish school. To that end, we work with schools across North West NSW, hosting visits to our mine sites to allow

students to learn about the mining process and other aspects of our operations such as environmental management, first hand. In addition to our significant investment towards the establishment of a Clontarf Academy at Narrabri High School and to the Girls Academy at Gunnedah High School (see page 62), we have also donated more than \$100,000 to the Country Education Foundation since 2010, to provide direct financial assistance for a range of educational pursuits including apprenticeships, cadetships, degrees, diplomas and certificate level studies for young people from North West NSW.

We also build understanding by inviting local people to tour our operations, and intend to increase the frequency of tours once restrictions related to the COVID-19 pandemic ease.

Work continues to restore *Kurrumbede* gardens

Throughout FY20 work progressed on restoring the gardens of the *Kurrumbede* homestead, a property near Gunnedah once owned by the family of one of Australia's great poets Dorothea Mackellar OBE.

In 2019, Whitehaven Coal announced a \$500,000 investment to restore and preserve the gardens of the homestead. Throughout FY20, under direction from a working group with members from Whitehaven and the Dorothea Mackellar Memorial Society (DMMS), a dedicated bore has been installed, ahead of the installation of a pipeline and

then the re-establishment of the gardens, over time, to reflect its original plant palette and layout.

In conjunction with the DMMS and the Gunnedah Historical Society, as well as the Heritage Division of the NSW Department of Planning, Industry and Environment, we are exploring ways to host periodic community open days at the homestead, to support the education and enjoyment of future generations of young Australian poets and poetry enthusiasts. A first step has been to develop interpretive signage to enhance the experience for potential future visitors.

Purchased in 1905 by Dorothea Mackellar's father, who later constructed the homestead, *Kurrumbede* was one of Mackellar's favourite holiday retreats and features a landscape evoked in a number of her works. The Mackellar family also owned other properties in the Gunnedah area, including The Rampadells.

Whitehaven has been a major sponsor of the Dorothea Mackellar Poetry Awards, hosted by the DMMS, since 2010, and Whitehaven Coal Chairman Mark Vaile is Patron of the Society.



Tax.

Whitehaven Coal is listed on the ASX. Our mining operations are located only in Australia and we have no foreign subsidiary companies, which means that transfer pricing is not a tax issue for the Group.

Whitehaven prides itself on being a socially responsible corporate citizen. In relation to tax, we adopt a conservative approach. Our culture of compliance and transparency is apparent in our policies, procedures and controls, and in our constructive relationships with tax authorities including the Australian Taxation Office (ATO), state revenue offices and local governments.

Taxes paid and collected

We pay various taxes to federal, state and local governments, and collect various tax payments on behalf of federal and state governments.

Taxes paid

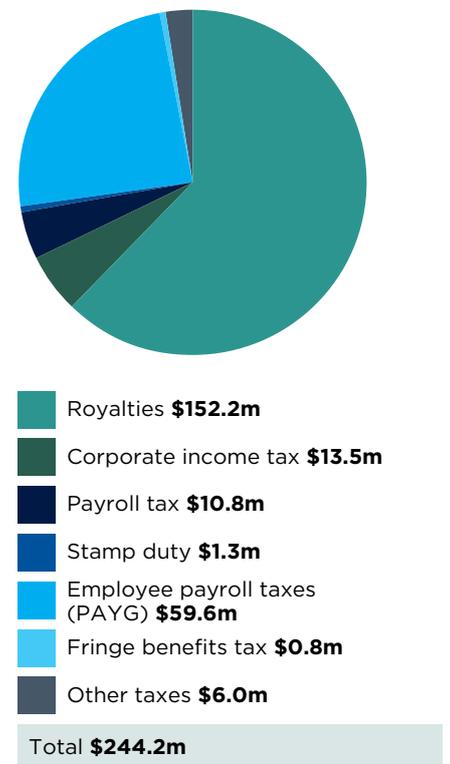
In FY20 Whitehaven contributed \$244.2 million to the federal, state and local governments in the form of income tax, royalties, payroll tax and council rates. Coal royalties to the NSW Government represent the largest component of taxes paid. The royalties are *ad valorem*, calculated on gross sales less limited deductions. They are payable via monthly instalments throughout the financial year, with a balancing payment made in July to reflect the final royalty liability for that financial year. In FY20, a reduction in the average coal price resulted in lower royalty payments, which was the key driver of the decrease in taxes paid between FY19 and FY20.

Taxes collected

The largest component of taxes we collect on behalf of the Australian Government are those collected in respect of employees. These include pay as you go (PAYG) withholding tax from employees' salaries and wages. In FY20 the Group collected and remitted a total of \$59.6 million to the federal government.

Taxes collected and paid by the Whitehaven Group and its joint venture (JV) partners in FY20 totalled \$244.2 million.

Taxes collected and paid by the Whitehaven Group and its JV partners in FY20





Our approach to taxation

Our strategy is focused on enhancing the strong position we have established as the coal supplier of choice, the employer of choice and the coal-mining investment of choice.

In relation to taxation matters, we adopt a conservative approach and a culture of taxation compliance. Our policy, strategies, resources, procedures and controls in relation to taxation have been established and implemented in support of this approach and culture.

There is comprehensive Board oversight of tax via the Audit and Risk Committee. A tax governance and tax risk management framework has been implemented to manage and resource Whitehaven's tax functions across the business in respect of all taxes payable and collected. The framework has been prepared referencing the ATO's public guidance, which seeks higher levels of tax transparency, governance and accountability across all taxes for Australian taxpayers, and formalises and captures our prudent approach to taxation matters.

In implementing the framework, we maintain management systems and resources to:

- Actively monitor, identify and manage tax risk
- Comply with taxation laws and reporting standards in Australia
- Lodge all taxation returns and documentation on time
- Collect and pay the calculated amounts of federal, state and local taxes, royalties, levies, duties, rates and imposts when they fall due
- Maintain, with each revenue authority, Whitehaven's standing as an organisation of integrity.

Whitehaven strives to maintain open, honest, transparent and cooperative relationships with all taxation authorities.

During FY20, the ATO completed a comprehensive Streamlined Assurance Review of the Whitehaven Group, covering four income years (2015 to 2018). There were no adjustments raised to the returns that had been lodged, and the ATO provided a 'high assurance rating', which is the best result that could have been achieved and a testament to the Group's positive compliance approach and strong tax governance and tax risk management framework.

Tax disclosures in the financial statements

Income tax

The following information has been derived from the audited financial statements prepared for FY20. The financial statements reflect the Australian corporate income tax position applying the 30% corporate tax rate. The Australian income tax law and Australian accounting standards have different rules in respect of the recognition of income and expenses. Under the accounting standards, differences between accounting and tax rules are classified as:

- **Temporary differences** - these differences neutralise between the tax and accounting treatment over time
- **Non-temporary differences** - these are permanent differences that do not neutralise between the accounting and tax treatments over time, or temporary differences that do not meet the recognition criteria under the accounting standards.

The accounting standards require the calculation of income tax expense, which includes current and deferred tax components. The current tax component represents the expected tax liability for the income year (that is, income tax payable). The deferred tax component represents income tax expected to be paid, or deductions available in future income years. The deferred tax component is recognised as a net deferred tax asset (future deductions available) or net deferred tax liability (future income tax payable) on the balance sheet.

Effective income tax rate

The effective tax rate is the income tax expense for the income year divided by the accounting profit before tax. The effective income tax rates for the Whitehaven Group for FY19 and FY20 are set out below.

Whitehaven's effective tax rate for FY20 of 29% is less than the 30% Australian corporate tax rate. This is primarily due to the permanent component of payments by the tax consolidated group for shares acquired on-market by the Group's employee share scheme trust, which is not a member of the tax consolidated group.

Reconciliation of accounting profit to income tax expense

A reconciliation of the accounting profit before tax to income tax expense is provided below. Income tax expense is calculated as the accounting profit before tax multiplied by the 30% corporate tax rate, adjusted for non-temporary (permanent) differences.

Reconciliation of accounting profit to income tax expense

	FY20	FY19
Statutory profit before tax (\$m)	42.3	735.9
Income tax expense using the Company's domestic tax rate of 30% (\$m)	(12.7)	(220.8)
Non-deductible expenses:		
Share-based payments (\$m)	(1.9)	(2.3)
Other non-deductible expenses (\$m)	2.0	0.4
On-market share purchases by employee share scheme trust reimbursed by the Group (\$m)	1.0	8.5
Adjustments for tax of prior periods (\$m)	(0.7)	6.2
Total income tax expense (\$m)	(12.3)	(208.0)

Whitehaven's effective income tax rate

	FY20	FY19
Statutory profit before tax (\$m)	42.3	735.9
Income tax expense (\$m)	12.3	208
Effective tax rate (%)	29	28

Glossary

AHS	Autonomous Haulage System
ARTC	Australian Rail Track Corporation
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
BOF	basic oxygen furnace
CAGR	compound annual growth rate
CCC	Community Consultative Committee
CCUS	carbon capture, utilisation and storage
CHPP	coal handling and processing plant
CPS	Current Policies Scenario
CSA	coal sales agreements
CV	calorific value
EA	enterprise agreement
EAF	electric arc furnace
EBITDA	earnings before interest, tax, depreciation and amortisation
EPL	Environment Protection Licence
FOB	Free on Board
FY	financial year
GHG	greenhouse gas
GW	gigawatt
HELE	high-efficiency, low-emissions
IEA	International Energy Agency
JV	Joint Venture
LGA	Local Government Area
ML	megalitres
Mt	million tonnes
Mtpa	million tonnes per annum
NPAT	net profit after tax
NPS	New Policies Scenario
NPV	net present value
PAYG	pay as you go
PCI	pulverized coal injection
ppm	parts per million
ROM	run of mine
SC	supercritical
SDS	Sustainable Development Scenario
SSCC	semi-soft coking coal
TCFD	Task Force on Climate-related Financial Disclosures
USC	ultra-supercritical
vol	volatile matter
VPA	voluntary planning agreement
WEO	World Energy Outlook
WGEA	Workplace Gender Equality Agency



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