



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.

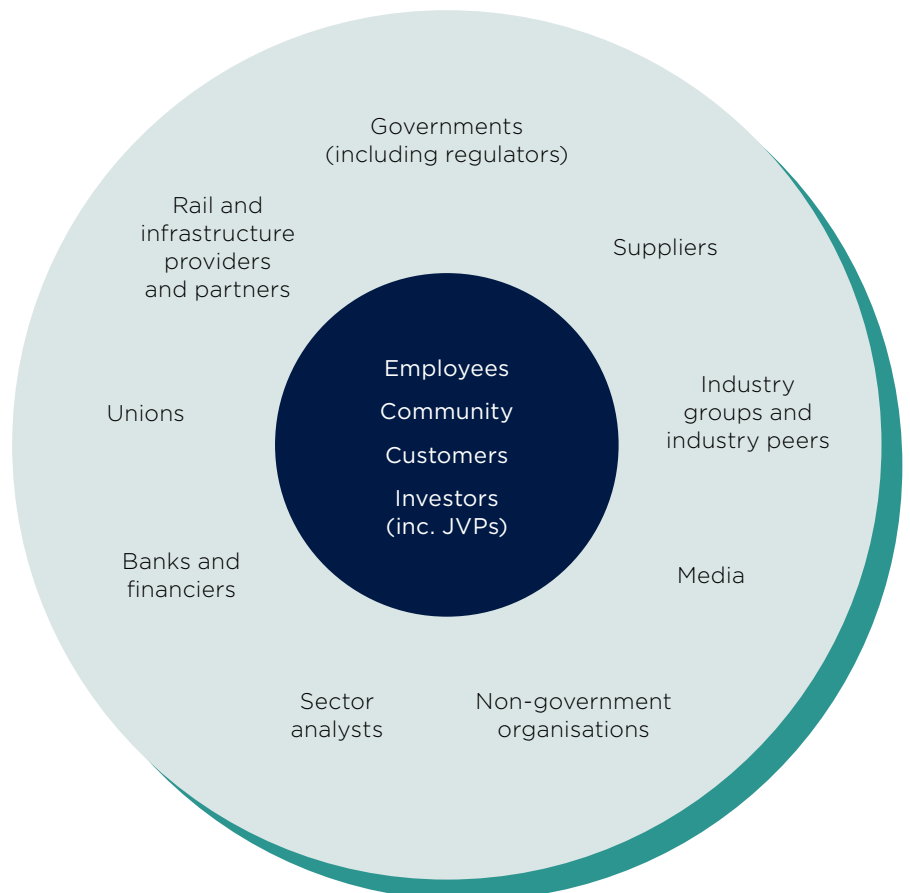
As with many other aspects of our business, the focus of our sustainability effort is local in orientation and we apply our resources to those areas that deliver maximum value to our stakeholders and to areas reflecting our purpose and vision as a company.

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 decarbonising 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.

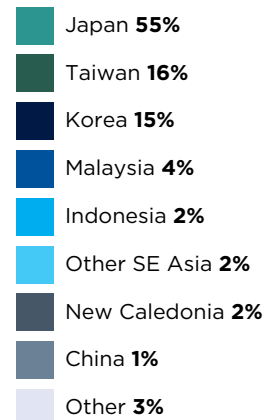
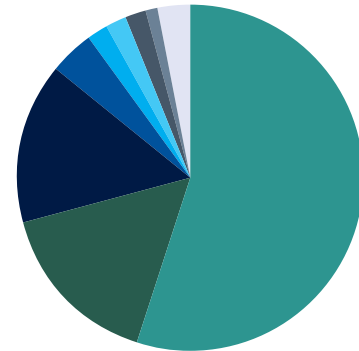
Given the relative scarcity of high-CV coal and the low number of development projects geared to this product, we expect this trend to continue, and possibly intensify. Given Gunnedah Basin coal is at the upper end of the national CV range, and has lower ash and sulphur content, we are well positioned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

Metallurgical coal

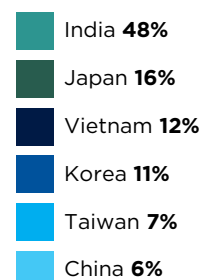
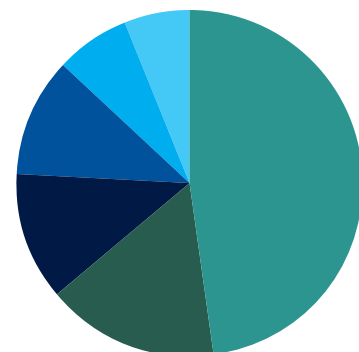
Our NSW mines supply metallurgical coal in the form of semi-soft coking coal and high volatile matter (high vol) PCI coal. These coals are low in impurities – specifically ash, sulphur and phosphorous – and are important components in our customers’ broader coking coal requirements. Our coking coal sales 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

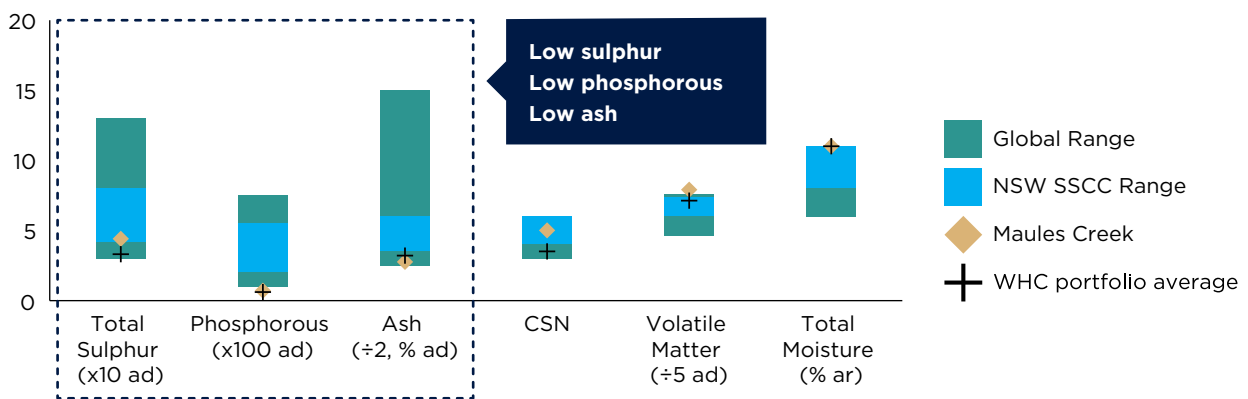
⁸ Department of Industry, Science, Energy and Resources (2020)

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

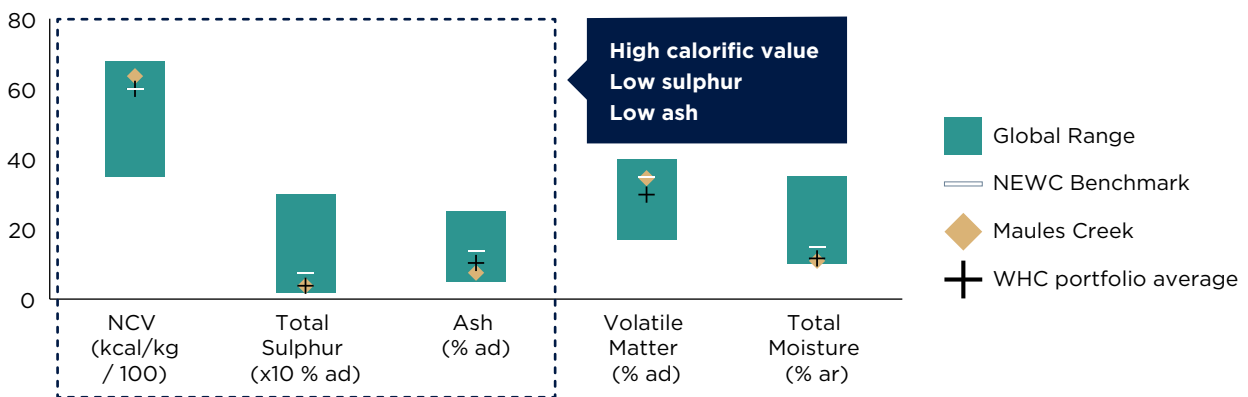
Our premium-quality product is well-placed to meet regional demand

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



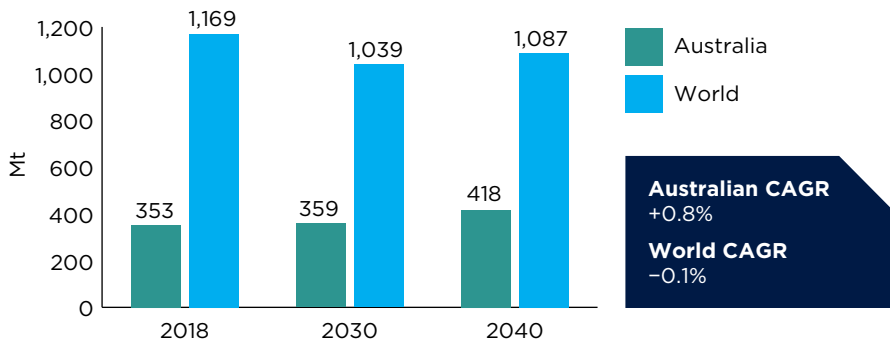
Thermal coal



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.