

Unlocking future value

Sustainability Report 2021

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Sustainability highlights FY21



~75%

of 2,500-strong workforce
based in regional areas



9%

of workforce identifies
as Aboriginal and Torres
Strait Islander



\$344.7 million

spent with local suppliers



267ha

of land rehabilitated



12.4%

female participation
in our workforce



\$392,300

in community partnerships
and donations



\$5.15 million

spent with 14 Aboriginal and
Torres Strait Islander businesses



**Business resilience tested
against TCFD framework
since FY19**



Message to stakeholders



**We are pleased to present
Whitehaven Coal's
Sustainability Report 2021.**

This year's report reflects the additional investment we are making to address changing expectations among our stakeholders in relation to Environmental, Social and Governance (ESG) reporting, and to ensure closer alignment with internationally-recognised sustainability reporting approaches.

If you're a regular reader of our reporting suite, you'll notice some new features and themes that provide improved disclosure around our material sustainability issues and stronger governance frameworks to support our work in this area. Overall, we hope you'll find the document more accessible and user-friendly.

For us, sustainability is about how good assets and good operational practices combine to create enduring value for our stakeholders, underpinned by our STRIVE principles. Whether it's a local business supplying our operations, a long-term customer accessing high quality raw materials or an apprentice learning new skills on which an entire career can be built, sustainability has always been at the heart of our company.

It's a story we're proud to communicate and one that people want to know more about. Since we launched our first standalone sustainability report for FY19, we have noticed the appetite for ESG information has steadily increased. In that time, we've also received and addressed plenty of feedback about what we're doing well in this space, and where we might be able to improve.

This year's report is a product of the path we've already travelled, but it also signals some changes for the future. During the course of the year, the Board endorsed the company's first Sustainability Reporting Roadmap, which will guide our approach in the coming years. Among other things, we will look to adopt targets in certain areas, seek external assurance of key data and undertake independent materiality reviews on a periodic basis. This is a multi-year journey but one we are committed to.

As we look ahead, how the world responds to the challenges posed by climate change will continue to dominate discussions in an ESG context. This report makes a number of observations about the relationship between energy use and the population growth driving economic development in our near region. Many of our stakeholders acknowledge the journey to a lower-carbon future is an incredibly complex one and are receptive on the need for a multi-faceted response of which high-quality Australian coal can be a part.

There continues to be interest in how we identify and evaluate the risks and opportunities of climate change. As with previous years we have again responded to the voluntary recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures, making us the only Australian pure-play coal company to do so. Understandably, how we assess our resilience in a more carbon-constrained world is an area of continuing focus and one we will look to refine in the coming years. We invite you to read more in the Climate chapter of this report.

The past year has also seen more scrutiny of corporate behaviour, whether around supply chain responsibility, respect in the workplace, or working with host communities including Traditional Owners. These topics are all addressed in the following pages. And of course, while the COVID-19 pandemic has continued to pose major challenges for governments and businesses, it has also reinforced the vital role of the coal industry – Australia's second largest commodity export – in sustaining and supporting regional economies through the period of ongoing economic recovery.

This backdrop of increasing interest in, and public discussion of, the sustainability of our industry underscores the importance of continuing to engage with stakeholders transparently and proactively. To support our ongoing efforts in this area, we invite you to share your feedback at sustainability@whitehavencoal.com.au

The Hon. Mark Vaile, AO
Chairman

Paul Flynn
Managing Director and CEO

How we operate

Whitehaven Coal produces premium-quality coal for customers in Asia.

The company commenced operating in 2001 and was listed on the Australian Securities Exchange (ASX) in 2008 (ASX Code: WHC). We employ 2,500 Australians, with 75% located in regional areas.

Demand for our coal is strong due to its unique properties, notably its ability to deliver among the lowest carbon emissions per tonne of coal consumed. It is used in high-efficiency, low-emissions coal-fired power stations. Our customer base, by coal type, is shown in the map to the right.

In exporting high-quality thermal and metallurgical coal from Australia to the world, we fulfil our purpose of supporting and sustaining regional communities at home. We do so through employment, contracting suppliers, infrastructure investment and community sponsorships and programs.

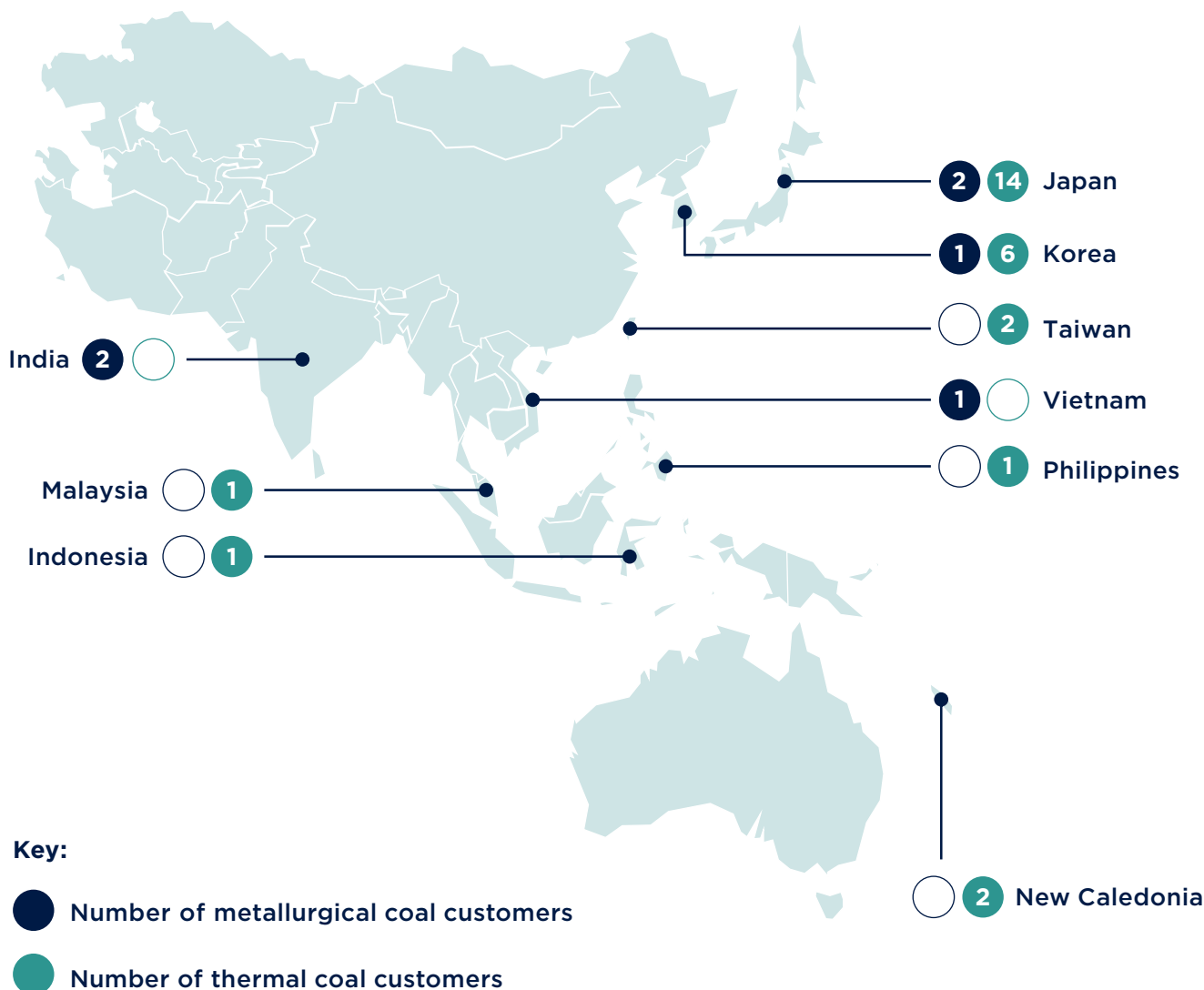
We understand the running of our business raises material sustainability issues from the safety of our workforce to impacts on the natural environment. This Sustainability Report outlines the steps we are taking to address those issues where we operate.

Sustainability reporting

The contents of this report have been informed by:

- The Global Reporting Initiative (GRI) Standard
- The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)
- The AccountAbility AA1000 Principles Standard
- The ASX Corporate Governance Council Corporate Governance Principles and Recommendations.

Our customer base by coal type



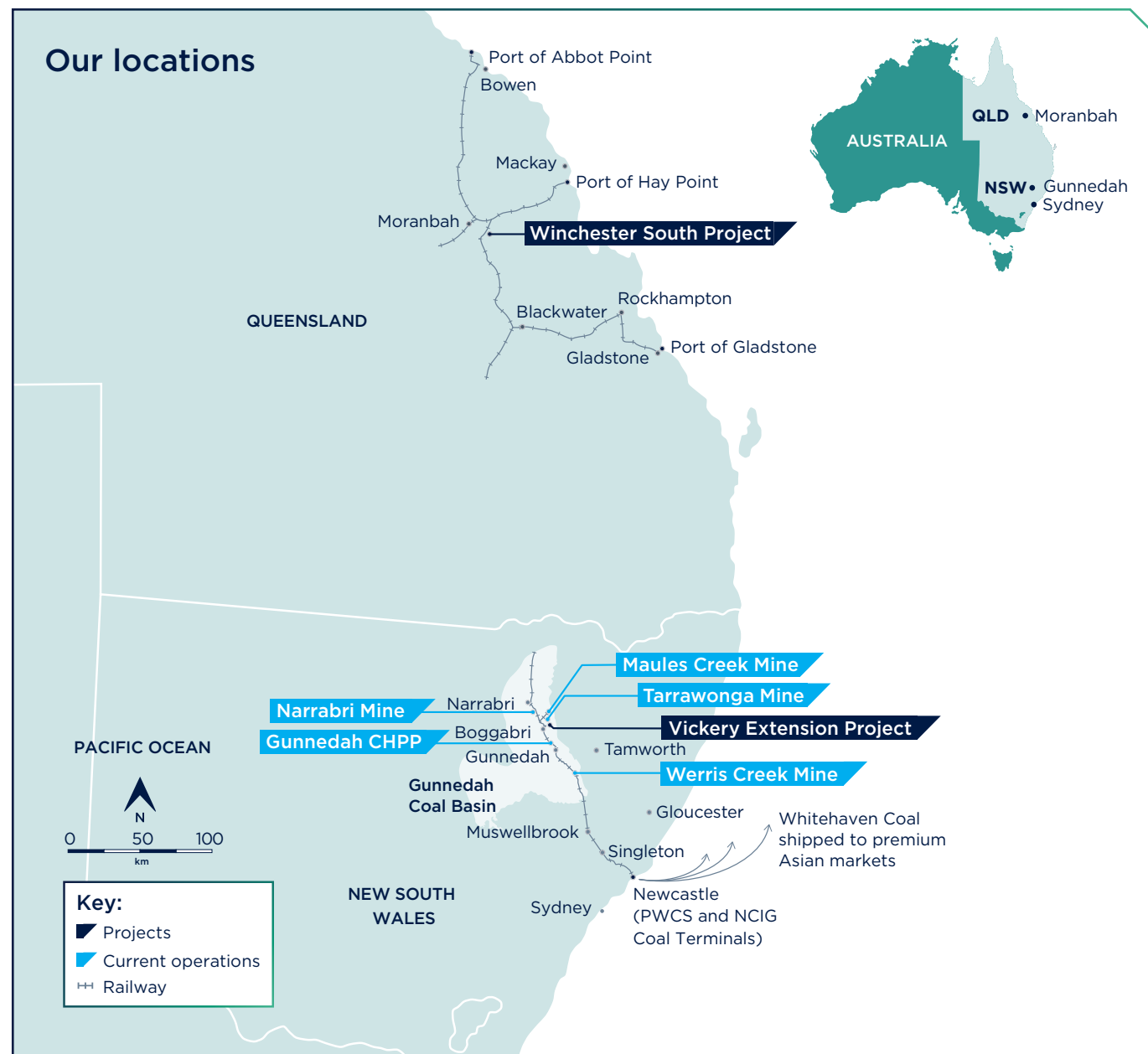
Where we operate

We operate at the following sites in the Gunnedah Coal Basin of New South Wales (NSW):

- Maules Creek, open-cut coal mining and rehabilitation
- Narrabri, underground coal mining and rehabilitation
- Tarrawonga, open-cut coal mining and rehabilitation
- Werris Creek, open-cut coal mining and rehabilitation
- Gunnedah Coal Handling and Preparation Plant, processing, treatment and transportation of coal.

Our planned future projects include:

- In the Gunnedah basin in North West NSW, the Vickery Extension Project, carrying out open-cut coal mining and rehabilitation.
- In the Bowen Basin in Central Queensland, the Winchester South Project, carrying out open-cut coal mining and rehabilitation.



How we create value

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.

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

Our STRIVE 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.

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.

27.8%

Total shareholder return

Value created FY21

\$204.5 million

in underlying earnings before interest, tax, depreciation and amortisation (EBITDA)

Value chain



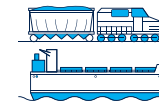
Develop

We identify, develop and operate high-quality, cost-efficient, long-life coal assets.



Operate responsibly

We are responsible stewards of the natural environment and maintain strong sustainability practices through each stage of the mining process, from development to operations, rehabilitation and closure.



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.



Customers

We form long-term relationships with our customers to provide high-quality raw materials for efficient industrial assets, including coal-fired power plants and steel blast furnaces, and to contribute to economic and social development in the Asian region.

Our people underpin our success

Our people

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

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

Value created FY21

\$210.5 million

in wages paid

9%

of workforce identifies as
Aboriginal and/or Torres
Strait Islander

Communities

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

\$344.7 million
spent with local suppliers

Value created FY21

\$5.15 million

spent with 14
Indigenous
businesses

Supported
the Narrabri Clontarf
Academy and Westpac
Rescue Helicopter Service

Our approach to sustainability

Whitehaven's vision is to be the benchmark coal investment on the ASX. We strive for excellence in operations, production and market share, and also in environmental, social and corporate governance (ESG) criteria.

For Whitehaven, sustainability is about how our financial, physical and human capital combine to deliver positive outcomes through our entire value chain to our diverse stakeholders at home and abroad. We deliver value to customers, our workforce, shareholders, local communities and suppliers by developing and safely and responsibly operating high-quality, cost-efficient, long-life coal assets.

We acknowledge that 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.

In transitioning to a lower-carbon future, we are committed to:

- Supplying our customers with high-quality coal for use in high-efficiency, low-emissions coal-fired power stations.
- Finding and implementing measures at each point of our value chain to reduce emissions.
- Supporting relevant UN Sustainable Development Goals, including universal access to affordable energy.

Sustainability governance

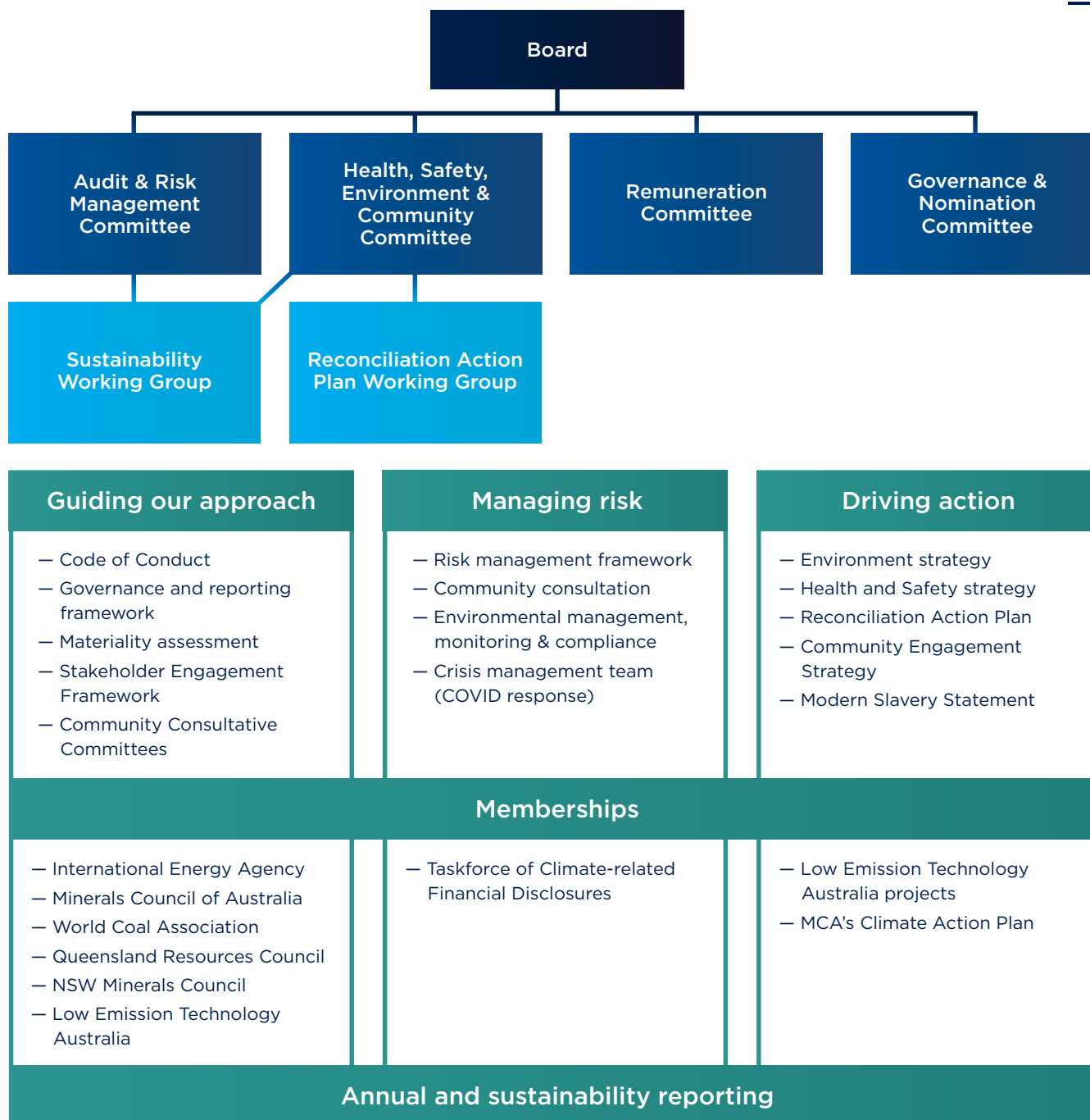
Overall responsibility for our sustainability strategy and approach lies with Whitehaven's Board.

In its strategic decision making, the Board is supported by the advice given by the Health, Safety, Environment & Community (HSEC) Committee, a Board standing committee. The Audit & Risk Committee monitors the risks involved in our sustainability approach and practices, including climate-related matters and reports to the Board. The Board receives regular updates from these Committees. Other Board standing committees include the Remuneration Committee and the Governance & Nomination Committee.

The strategic approach set by the Board is implemented by management, led by the Executive General Manager (EGM) – Corporate, Government & Community Affairs who also chairs the Sustainability Working Group (SWG). The SWG is composed of EGM and General Manager-level leaders from the HSE, Finance, Legal and People & Culture functions, with leaders from other areas including operations and procurement periodically presenting to the SWG. The SWG reports to the HSEC Committee of the Board.

Over the last twelve months, there has been greater linkage between health, safety and environmental targets and executive remuneration. Specific targets in these areas now comprise 40% of each executive's at risk/short-term incentive opportunity as detailed in the [Remuneration Report](#). The Board annually reviews how we can better align remuneration to our broader sustainability performance.

As global standards on sustainability have evolved, Whitehaven has endeavoured to keep pace. In FY21 we reviewed our approach to sustainability. The Board has endorsed our first Sustainability Roadmap, with delivery to be led by Whitehaven's recently-appointed Sustainability Manager, and overseen by the EGM – Corporate, Government & Community Affairs. The four-year plan is a significant investment in our sustainability strategy and reporting approach and includes establishing targets in key areas, external assurance of key data, and a full, independent materiality review aligned with the AccountAbility AA1000AP Standard.



Identifying our material issues

In FY21 we undertook a desktop materiality assessment to define our material sustainability issues and the stakeholders impacted.

This assessment was aligned to the AccountAbility AA1000AP Standard and informed by our regular engagement with stakeholders.

Through this process we have distilled our approach to material issues and how we address them into three themes.

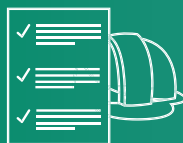
At our foundation, we seek to implement practices that strengthen our business. Next is our focus on implementing sustainable practices that ensure we operate responsibly. Finally, and of major importance, is our work on sustainable practices that support our community and its future.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a blueprint for peace and prosperity for people and the planet. At its heart are the 17 Sustainable Development Goals (SDGs), which aim to address issues related to poverty, justice and prosperity worldwide. While many of the 17 SDGs relate to our operations and impact, we have identified the following SDGs of most relevance to our business.

Material themes



Supporting regional growth

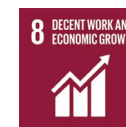


Responsible operations



A strong, long-life business

UN Sustainable Development Goals






Engaging with our stakeholders

We regularly engage with a range of stakeholders 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 improve how we share information and perform.

Stakeholder group	Interest areas
Employees and contractors	<ul style="list-style-type: none"> - Health and safety at work - Job security - Remuneration and working conditions - Learning and development opportunities - Diversity and inclusion - Business model
Customers	<ul style="list-style-type: none"> - Product quality - Reliability of supply, including future supply - Price
Local communities	<ul style="list-style-type: none"> - Environmental, social and cultural heritage impacts - Local employment and procurement - Community investment, including training and education - Sustainable, local economic diversification - Transparency and communication
Joint Venture Partners, investors and industry analysts	<ul style="list-style-type: none"> - Business strategy and growth - Share price - Financial returns - Operational performance - Governance and risk management - Ethical business conduct - ESG performance
Governments including regulators	<ul style="list-style-type: none"> - Regulation and compliance - Mine extensions and approvals - Mine closure planning - Royalties and taxes - Balancing economic, social and environmental objectives

Stakeholder group	Interest areas
Suppliers	<ul style="list-style-type: none"> - Local procurement - Ongoing partnerships - Management of suppliers
Traditional owners	<ul style="list-style-type: none"> - Cultural heritage - Land access and management - Employment, education and procurement opportunities - Local investment
Industry groups and peers	<ul style="list-style-type: none"> - Policy and regulatory environment - Industry reputation
Non-government organisations	<ul style="list-style-type: none"> - Environmental, social and cultural heritage impacts - Compliance - Community engagement - Transparency
Banks and financiers	<ul style="list-style-type: none"> - Financial performance - Business strategy and growth - Operational performance, including compliance - Governance and risk management, including climate-related risks and opportunities - Ethical business conduct
Unions	<ul style="list-style-type: none"> - Health and safety at work - Job security - Remuneration and working conditions
Rail and infrastructure providers	<ul style="list-style-type: none"> - Business strategy and growth - Governance and risk management, including climate-related risks and opportunities

Our material issues

Material theme	Issue	Definition	Chapter
 A strong, long-life business	Business model and markets	How we assess and manage our business structure, portfolio and future pipeline, including evaluation of future markets for our coal. This includes how we continually strive to improve operational efficiency and adaptability.	Our business Climate
	Climate-related risks and opportunities	How we assess and manage climate-related risk and opportunities, including those arising from the physical and transitional impacts associated with climate change, consistent with the reporting framework of the Task Force on Climate-related Financial Disclosures (TCFD). This also includes access to capital and climate change adaptation.	Climate
	Regulation and policy	How we seek consistent and balanced policy settings that support competitiveness, flexibility and performance.	Our business
	Responsible supply chain	How we manage our supply chain, including identifying and addressing risks of modern slavery, as well as our compliance with the Payment Times Reporting Scheme.	Our business
	Talent attraction, development and retention	How we ensure Whitehaven is an enjoyable and rewarding place to work, and how we attract, retain and develop our people. This includes promoting a diverse and inclusive workplace and effectively managing our relationship with employees through applicable industrial relations instruments.	Talent & diversity
	Continuity during COVID-19	Our approach to mitigating the impacts of COVID-19 on our people, communities and operations.	Our business
	Privacy and cybersecurity	How we manage data privacy and the security of our systems.	Our business
 Responsible operations	Safety and wellbeing of our workforce	How we seek to prevent workplace injuries and fatalities and ensure our employees and contractors observe robust safety practices. This also includes how we help support the mental and physical health and wellbeing of our people.	Health & safety
	Minimising environmental impact of operations	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 and compliance. This includes how we responsibly manage water use, operational emissions, air quality, noise and waste. This also includes how we manage land to protect biodiversity.	Minimising environmental impact
	Ethical business conduct	How we conduct our business ethically and with integrity, including through strong governance frameworks, policies and transparency around our approach to taxation.	Our business
	Community engagement	How we meaningfully engage with the local community, seek feedback to inform decision making and form sustainable partnerships. This includes how we respect Aboriginal and/or Torres Strait Islander cultures and invest in initiatives with a view to empowering local Aboriginal and/or Torres Strait Islander communities.	Supporting our communities Talent & diversity
 Supporting regional growth	Rehabilitating land to beneficial land use	How we progressively rehabilitate mined land, working with the local community and government towards a final land use that benefits all stakeholders.	Minimising environmental impact
	Contributing to local prosperity and sustainability	How we contribute to local prosperity and quality of life, including through employment, procurement, community investment and supporting economic diversification.	Supporting our communities Talent & diversity

Our business

Whitehaven is leveraged to strong and continuing demand for high-quality thermal and metallurgical coal in the Asian region.

Our business model and markets

We proactively assess the opportunities and resilience of our business model in a world energy market transitioning to a lower-carbon future.

As part of our strategic planning, we continuously analyse the global energy market, the cyclical nature of market demand for coal and the opportunities to sell our high-quality coal.

All risks to the resilience of our business are assessed and ranked, with mitigation strategies in place for major risks. This work is conducted by management and reviewed by the Board's Audit and Risk Management Committee. The Committee monitors the company's risk management framework, receives updates from management and provides advice and recommendations to the Board.

The International Energy Agency (IEA) provides comprehensive global analysis of energy use as well as a number of forward-looking scenarios in its World Energy Outlook (WEO) series. The two enduring scenarios considered by the IEA are:

- **The Stated Policies Scenario (STEPS)**, which reflects the impact of existing policy frameworks – including Nationally Determined Contributions under the Paris Agreement – and today's announced policy intentions out to 2040
- **The Sustainable Development Scenario (SDS)**, which outlines a major transformation of the global energy system, showing how the world can change course to deliver on a Paris-aligned decarbonisation objective.

Analysis of these scenarios and their impacts on our business as well as climate-related specific risks and opportunities are addressed in Chapter 2. We note other scenarios covering a range of possible outcomes beyond those considered in this report exist. Some of these entail more rapid decarbonisation arising from a more precipitous decrease in the use of coal and other fossil fuels, including the IEA's Sustainable Development Scenario and Net Zero Emissions 2050 scenario. In addition to IEA data, we also use bespoke data from independent resource industry consultants, as well as open-source reporting and analysis on policy and market developments relating to carbon, climate change, coal and other relevant topics.

Thermal coal

Thermal coal remains the largest source of electricity production globally, providing 35% of supply in 2020¹ – with Australia providing 363 of the 1,115 mtce in the seaborne market in 2019² – underpinning continued demand for Whitehaven products. The IEA's STEPS envisages coal remaining the single largest source of electricity generation worldwide during the period to 2040.³

While the COVID-19 pandemic has clouded the demand outlook and reduced global electricity demand in 2020, the IEA's STEPS outlines that the decline in demand in developed economies will be offset by increased demand among developing economies, many of which are in Asia. Population growth, increasing economic activity and rising standards of living all contribute to the need for accessible, reliable and affordable energy. GDP and growth is also strongly correlated with increased energy use.

According to the STEPS, India has the fastest growing electricity demand by 2030.⁴ While India has sources of domestic production to meet electricity demand, it will likely draw increasingly on the seaborne market which will tighten supply overall and keep prices well supported.

Asia accounts for approximately 90% of coal-fired generation capacity younger than 20 years old,⁵ further reinforcing one of the underlying drivers of long-term coal demand in Asia. Australia is ideally positioned to capitalise on Asian thermal coal demand on account of the high-quality properties of Australian coal, which generates fewer greenhouse gas (GHG) emissions per megawatt hour (MWh) of electricity generated compared to lower-CV coal.

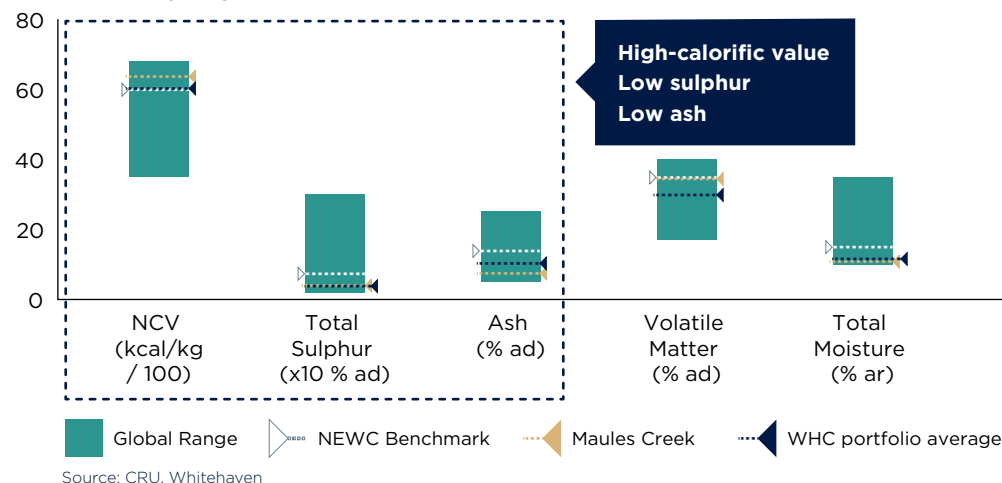
Furthermore, Australia's relative proximity to key markets will ensure it remains one of the most cost-competitive sources of high-quality thermal coal for Asia.

Under STEPS, Australia's market share of the world seaborne coal market grows to 2040, underpinned by demand for high-quality coal. 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.

In the SDS, the WEO 2020 projects that the share of coal in the global power generation mix falls from 37% in 2019 to 15% by 2030 and 10% by 2040.⁶ Demand for coal in the SDS is projected to decline by more than 75% in advanced economies and by around 40% worldwide by 2030, with more than 80% of the decline in coal use coming from reductions in the power sector.⁷

Although in the IEA's Sustainable Development Scenario coal demand declines more drastically than under STEPS, in a more carbon-constrained world we expect higher quality coals to exit the market last. Therefore, consistent with the WEO 2020's projection that Australia and Russia fare better than other exporters in the STEPS,⁸ we also expect Australia to perform better compared to other producers of seaborne coal in the SDS. In this regard the WEO 2020 states that in the SDS, all exporting countries are heavily affected, but those serving the emerging Asian markets see a lesser decline and Australia remains the largest exporter of coal.⁹

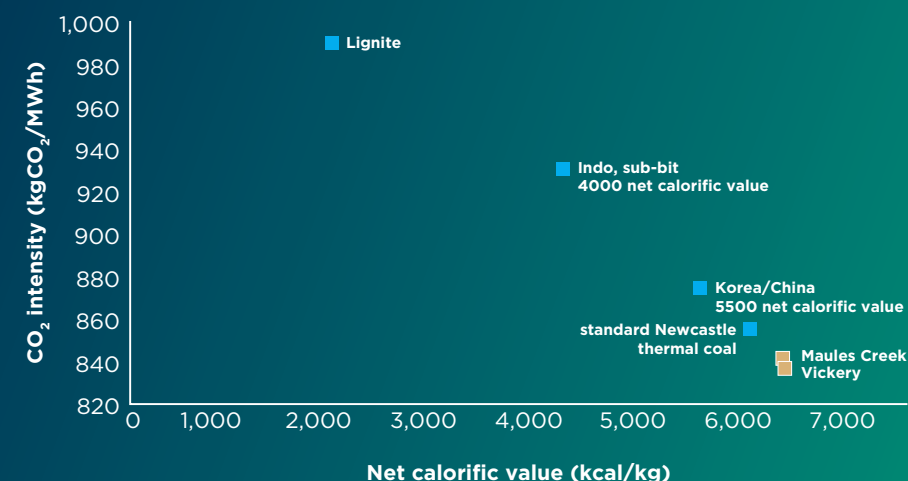
Thermal coal quality



The role of high-quality coal in reducing emissions

In a world where carbon emissions reduction efforts are a focus for policy-makers as well as major energy generators and consumers, high quality coal, particularly high-CV and low ash coal, has a clear role to play.

Carbon emission improvement by coal type



Source: Whitehaven, Wood Mackenzie and Australian Coal Review World Database

1. WEO 2020, p 223.
 2. WEO 2020, p 213.
 3. WEO 2020, p 223.
 4. WEO 2020, pp 196-198.
 5. WEO 2019, p 284.
 6. WEO 2020, pp 19, 35.
 7. WEO 2020, pp 104-105.
 8. WEO 2020, pp 254, 282-283.
 9. WEO 2020, p 284.

Metallurgical coal

Our NSW mines supply semi-soft coking coal and high volatile matter pulverised coal (PCI) coal. These coals are low in impurities – specifically ash, sulphur and phosphorous. Our customers use low-impurity Whitehaven products in their coke blends to offset impurities in the hard coking coals they purchase. The trend of increasing impurities in hard coking coal, specifically sulphur and ash, is expected to continue, suggesting demand for our product will remain strong.

Global demand for metallurgical coal, a critical component in steel-making, correlates to industrialisation and urbanisation. Developing nations, particularly in Southeast Asia, are expected to undergo major processes of urbanisation, requiring significant increases in the capacity and sophistication of domestic steel-making industries. Urbanisation is a significant driver of metallurgical coal demand. Resource consultancy CRU predicts Indian steel demand will grow at 5% compound annual growth rate (CAGR) to 2040.¹

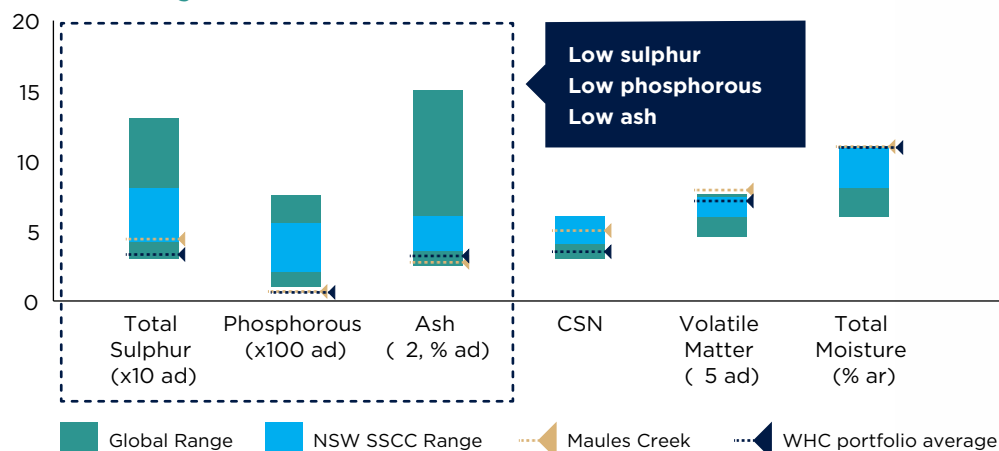
CRU expects global basic oxygen furnace (BOF) based steel production to decline modestly to 2040 while electric arc furnace

(EAF) based steel production grows. Indian BOF-based steel production is expected to quadruple by 2040, while Indian EAF production is expected to more than double, highlighting the regional variance in expected demand.

Australia is the world's largest exporter of metallurgical coal and, despite China's informal import restrictions, Australia still accounted for nearly 60% of the seaborne metallurgical coal trade in 2020.² 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. Many customers of metallurgical coal also purchase thermal coal, allowing Whitehaven to further deepen connections with our Asian customer base.

Our quality assets and strong customer relationships in the key export markets within our region, as well as our development pipeline, including the Vickery Extension and Winchester South Projects, place Whitehaven in good stead to continue to meet the ongoing demand for our products.

Semi-soft coking coal



Source: CRU, Whitehaven

1. CRU Metallurgical Long Term Market Outlook 2021, p50.
 2. Resources and Energy Quarterly March 2021.

Business improvement

Through our strategic planning process, we identified the opportunity to materially improve our operational efficiency and workplace culture.

In early FY21, we launched Project STRIVE, the name reflecting the underlying principles guiding our work each day. This business improvement program is being introduced in two phases.

The first phase was completed in FY21. It involved a comprehensive, ground-up review of our operations. The review was facilitated by an external consultant and led internally. It resulted in a business improvement roadmap to deliver more efficient, innovative and sustainable production. Short, medium and long-term deliverables were defined.

The second phase involves implementing the roadmap. It commenced with the appointment of a General Manager of Business Improvement in FY21 to oversee a business improvement project team and dedicated business improvement specialists at each mine site.

Work on the short to medium-term deliverables started with the team focused on achieving 25 initial cost-saving initiatives identified through the process. The longer term piece of work of creating a continuous improvement culture, capturing ideas from employees on the ground and up, is being developed.

Continued investment in automation

We also look to employ technology to improve safety and efficiency. Since 2018 we have been trialling and deploying an autonomous haulage system (AHS) at Maules Creek, our largest and newest mine. Throughout FY21 we test, evaluate, refine and expand the autonomous haulage program at Maules Creek. This has included building a team, including upskilling members of the existing workforce, to manage the fleet.

Ethical business conduct

Increasingly, whether stakeholders are skilled employees, banks and insurers, customers or suppliers, they consider corporate reputation when deciding to do business.

All stakeholders can be assured of Whitehaven's strong commitment to conducting business with honesty and integrity.

On employment, all employees sign up to our company [Code of Conduct](#) and are regularly reminded of our principles of safety, teamwork, respect, integrity, value and excellence. A range of [policies](#) guide employees on how to apply the principles of the code. The policies cover "Speaking Up", diversity, workplace behaviour, anti-corruption, continuous disclosure, securities trading and political donations, among others.

In governing the company, the Board is committed to achieving the highest standards of corporate governance. Annually, the Board publishes a Corporate Governance Statement detailing its corporate governance framework and how the framework achieved the highest standards of governance during the reporting year. The FY21 Statement will confirm the Board's compliance with the Australian Securities Exchange Corporate Governance Council's 'Corporate Governance Principles and Recommendations (4th edition)' in all material respects throughout the 2021 financial year and will be available on [our website](#).



Regulation and policy

To ensure a competitive and sustainable mining sector, we participate in policy advocacy on a range of issues impacting our business and the coal mining sector as a whole.

This advocacy involves discussions with both elected and non-elected representatives at all levels of government. It may take place bilaterally or through our industry association representatives.

Whitehaven is an active member of the Minerals Council of Australia, NSW Minerals Council, Queensland Resources Council, World Coal Association and the IEA's Coal Industry Advisory Board.

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 our communities and the economy. 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 we contribute 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, though we always seek to work constructively towards consensus outcomes.

Some of the topics advocated or raised by Whitehaven in FY21 include:

- Supporting the implementation of the COVID-19 National Protocols for the minerals sector
- Eliminating duplication across state and federal approvals frameworks
- Streamlining approvals processes in NSW, in particular seeking reforms to the NSW Independent Planning Commission
- Increasing investment in carbon emissions reduction technology
- Coordinating industry responses to the recommendations of the independent review of the *Environment Protection and Biodiversity Act 1999 (Cth)*
- Supporting more apprenticeships and traineeships in the mining sector.

Whitehaven periodically makes formal contributions to parliamentary reviews. Political donations are recorded and disclosed in accordance with applicable legislation.

During the year, Whitehaven became a signatory to the World Coal Association's [Responsible Coal Principles](#). This move further confirms our intent to make a positive contribution to society and sustainability in line with the UN Sustainable Development Goals.

Responsible supply chain

We seek to support sustainable practices throughout our supply chain, and in doing so contribute to social and economic development.

Social development

Our commitment to human rights, embodied in our Code of Conduct, extended to suppliers in FY21 with the introduction of an assessment and reporting process to guard against modern slavery in our supply chains.

Activities undertaken are outlined in our first Modern Slavery Statement, released in March 2021, in accordance with the *Modern Slavery Act 1988 (Cth)*. The statement is available [on our website](#).

The due diligence undertaken in FY21 found no evidence of modern slavery practices in our supply chain.

Economic development

Small and medium-sized enterprises face cash flow challenges when invoices are not paid on time. Cash flow challenges can be more pronounced in the mining sector and associated service businesses in regional communities, which is why we offer 21-day payment terms to our small and medium-sized local suppliers in the areas around our operations. In FY22 we will commence formal reporting on our payment times in accordance with the *Payment Times Reporting Act 2020 (Cth)*.



Our Modern Slavery Statement is available on our website



Continuity during COVID-19

By developing and implementing an early response plan, continued careful planning, and advocacy at industry and government level, the impacts of COVID-19 on our business operations have been limited.

We have kept our people safe and employed, and maintained production and supply. No cases of COVID-19 in our workforce were recorded in FY21. We remained close to our suppliers, particularly those in labour services hire and transport, as they were impacted by travel restrictions. We continue to work as normally as possible while planning for a range of possible scenarios.

The pandemic has driven enormous change in the global energy marketplace. Short-term demand for both metallurgical and thermal coal contracted in CY20 as a result of measures employed in many countries to slow the spread of the virus.

Despite uncertainties surrounding the economic outlook, the fundamentals of our business model remain robust. Throughout the pandemic, our portfolio of coal products has 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 South East Asian nations.

We expect our customer nations will capitalise on their installed and planned coal-fired power generation as this will underpin their economic recoveries when the threat of the pandemic is either eliminated or can be sustainably managed.

Privacy and cybersecurity

The security of our confidential data and computer technology is maintained through adherence to our Information Management and Security Policies and monitored by the Board's Audit and Risk Committee.

Whitehaven remains vigilant of cyber threats and operates a continuous improvement process in relation to cybersecurity. This involves adoption of the Australian Signals Directorate's Essential Eight mitigation strategies and other recognised frameworks to improve security and responsiveness to changes in the threat landscape. An external security operations centre continuously monitors the security of our systems.

Tax transparency

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

Whitehaven prides itself on being a responsible operator and socially responsible corporate citizen. We pay various taxes to federal, state and local governments, and collect various tax payments on behalf of federal and state governments.

Our approach to taxation

In relation to tax, we adopt a conservative approach. Our culture of compliance and transparency is apparent in our policies, strategies, resources, procedures and controls, and in our constructive relationships with tax authorities including the Australian Taxation Office (ATO), state revenue offices and local governments.

There is comprehensive Board oversight of tax via the Audit and Risk Committee. A tax governance and tax risk management framework sets out the management and resourcing of our 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.

We maintain management systems and resources to:

- Actively monitor, identify and manage tax risk
- Comply with Australian taxation laws and reporting standards
- 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.

Taxes paid

In FY21 Whitehaven contributed \$189.2 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. The key drivers of the decrease in taxes paid between FY20 and FY21 were: a reduction in the average realised coal price, which resulted in lower royalty payments; and a refund received for the FY20 corporate income tax return during FY21.

Taxes collected

The largest component of taxes we collect on behalf of the Australian Government is in respect of employees. This includes pay as you go (PAYG) withholding tax from employees' salaries and wages. In FY21 the Group collected and remitted \$55.9 million to the federal government.

Taxes collected and paid by the Whitehaven Group and its JV partners in FY21

Royalties	131.4
Corporate income tax	-12.2 ¹
Payroll tax	10.5
Stamp duty	0.6
Employee payroll taxes (PAYG)	55.9
Fringe benefits tax	0.7
Other taxes	2.3
Total	189.2

1. Reflects refund received for the FY20 corporate income tax return during FY21.

Income tax

The following information has been derived from the audited financial statements prepared for FY21 available [on our website](#).

Effective income tax rate

The effective tax rate is the income tax expense for the income year divided by the accounting profit before tax, set out below. Whitehaven's effective tax rate for FY21 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

	FY21	FY20
Statutory (loss)/profit before tax (\$m)	(768.2)	42.3
Income tax expense using the Company's domestic tax rate of 30% (\$m)	230.5	(12.7)
Non-deductible expenses:		
Share-based payments (\$m)	(2.1)	(1.9)
Other non-deductible expenses (\$m)	(2.8)	2.0
On-market share purchases by employee share scheme trust reimbursed by the Group (\$m)	0.0	1.0
Adjustments for tax of prior periods (\$m)	(1.3)	(0.7)
Total income tax benefit/(expense) (\$m)¹	224.3	(12.3)

Whitehaven's effective income tax rate

	FY21	FY20
Statutory (loss)/profit before tax (\$m)	(768.2)	42.3
Income tax benefit/(expense) (\$m)	224.3	(12.3)
Effective tax rate (%)	29	29

1. Calculated as the accounting profit before tax multiplied by the 30% corporate tax rate, adjusted for non-temporary (permanent) differences.



Climate

Whitehaven recognises and supports the long-term goal of the Paris Agreement to limit global average temperature increases to below 2 degrees celsius compared to pre-industrial levels, consistent with Australia's national commitments under the accord.

As stated in our [approach to sustainability and previous Sustainability Reports](#), we acknowledge that production and consumption of coal generates GHG emissions.

We note that fossil fuels account for more than 80% of the world's primary energy consumption¹ and the energy sector accounts for over 70% of global emissions annually.² While coal's role in the global energy mix is decreasing, it remains the largest source of power generation, accounting for over 35% of global power supply.³

Providing access to reliable and affordable energy is essential to facilitating economic growth and human progress, particularly in the emerging economies of South and South East Asia. A key policy challenge for governments is to reduce global carbon emissions without disrupting energy availability and undermining development goals.

International frameworks such as the Paris Agreement exist to coordinate sovereign national responses to addressing climate change. Global issues such as emissions reduction are most appropriately addressed through these mechanisms and any associated legislative changes enacted by sovereign national governments.

Our customer countries are all signatories to the Paris Agreement or, in the case of Taiwan (ROC), have domestic energy policies consistent with the objectives of the Paris Agreement. As such, they have set GHG emission targets in relation to energy generation and industrial processes.

In the past year, the world has witnessed increased momentum from governments on emissions reduction targets, with some committing to more ambitious interim national targets as well as net zero emissions by 2050 or earlier. We note the critical role that technology, particularly carbon capture and storage, will need to play to ensure emissions reductions targets can be met while economies and populations continue to expand.

1. BP Statistical Review 2020, p 4.
2. <https://www.iea.org/data-and-statistics/data-browser?country=WORLD&fuel=CO2%2Oemissions&indicator=CO2BySector>.
3. WEO 2020, p 223.

Coal remains a key energy source

Coal remains a major component of global fuel supplies. It is an abundant, affordable and reliable energy source. It remains the key source of electricity globally and plays a fundamental role in iron and steel production.

During 2021, the International Energy Agency expects global coal demand to begin to recover from the impacts of the COVID-19 pandemic and return to levels above those in 2019. Shifts in energy use, driven by increased use of natural gas for power generation in both the United States and Europe have led to reduced coal use in these markets. However, these declines in coal demand are expected to be offset by growth in India and other Asian countries.¹

In Asian economies – our customer base – coal remains a vital source of reliable and affordable energy. Almost 60% of existing coal plants globally are around 20 years old or younger, while in developing Asian economies coal plants average 12 years (the estimated lifespan for a coal-fired plant is 50 years).²

Over the past two decades, Asia accounted for 90 per cent of all new coal-fired power stations built worldwide (this involved 880GW being built in China, 173GW in India, 63GW in South East Asia, 28GW in Korea and 20.5GW in Japan). Outside of Asia, Europe added 45GW of coal-fired capacity and the US added 25GW in that same period.³

Under the IEA STEPS scenario China continues to install an average of 17GW of coal-fired capacity annually to 2025.⁴ In comparison, Australia has 23GW of installed coal capacity⁵ powering 68% of National Electricity Market generation in FY21.⁶

Growth in low emission, energy efficient coal-fired plants

To reduce GHG emissions and meet the goals of the Paris Agreement, many coal-reliant countries have committed to retiring old and inefficient coal-fired plants and moving towards newer, lower emission, more energy efficient generation technologies.

The coal produced and exported by Whitehaven is high-quality coal. It delivers among the lowest carbon emissions per tonne of coal consumed when combined with high technology, low emission, energy efficient coal-fired plants.

Innovation and technology are central to emissions reductions

While high quality coal reduces emissions, Whitehaven acknowledges that addressing the challenges of climate change will require a multifaceted, economy-wide approach. We believe that innovation and technology are essential for reducing emissions on the scale required and in ways that support access to energy and electricity for economic development.

The United Nations Intergovernmental Panel on Climate Change has identified carbon capture utilisation and storage (CCUS) as a key strategy for mitigating emissions.⁷ Additionally, the International Energy Agency in its World Energy Outlook 2020 notes that under the Sustainable Development Scenario CCUS plays a substantial role in emissions reduction with 850MtCO₂ captured globally in 2030 and 5,000MtCO₂ by 2050.

In September 2020, the Australian Government released its [Technology Investment Roadmap](#). The roadmap is a technology-led approach to meeting Australia's 2030 emissions target. Along with four other technologies, it identifies CCUS as a technology for development and commercialisation to reduce emissions and support economic growth.

Whitehaven has invested in carbon capture technologies through its funding for Low Emission Technology Australia. The organisation identifies, researches and develops technologies that capture and permanently store carbon dioxide or reuse carbon dioxide in other applications.

We support an industry-wide approach to mitigating emissions. Whitehaven is a signatory to the Minerals Council of Australia's "[Climate Action Plan](#)" released in June 2020. The plan details the mineral industry's commitment to the goal of net zero emissions and its actions, among others, on renewable energy investments at mine sites and collaborations with partners on low-emissions technologies and processes.

Reducing our emissions

Whitehaven is undertaking an assessment of carbon abatement opportunities for its Scope 1 and 2 greenhouse gas emissions, including options to generate and purchase carbon offsets, as well as the associated costs and any related business risks or opportunities.

1. <https://www.iea.org/reports/global-energy-review-2021/coal>.

2. IEA World Energy Outlook, 2019, p 284.

3. IEA World Energy Outlook, 2019, p 284.

4. WEO 2020, p 231.

5. AEMO NEM Generation Information July 2021 data set.

6. <https://www.aemo.com.au/energy-systems/electricity/national-electricity-market-nem/data-nem/data-dashboard-nem>.

7. Global warming of 1.5°C: An IPCC Special report, Intergovernmental Panel on Climate Change, 2019.

Climate-related risks and opportunities

Climate change governance

The Board 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 climate-related risks. Management of climate-related matters rests with Whitehaven's senior management and with the Sustainability Working Group monitoring and coordinating our handling of climate-related matters. Further information is outlined on [page 9](#).

Risks and opportunities

Risks

Identifying and evaluating climate-related risks are established features of our enterprise risk management framework, strategy and decision making processes and are prioritised according to magnitude and likelihood. Our most significant risks are reviewed annually, while material and emerging risks are continually and proactively identified, monitored and assessed.

We have undertaken detailed climate risk and scenario planning using the voluntary framework recommended by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), the outcomes of which 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** relate to technological innovations, policy changes, carbon pricing and other factors in the transition to a low-carbon future
- **Physical risks** are 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	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 to ensure we are well-positioned to respond to market changes that affect our business.
Time horizon Long Term			
Transition	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.
Time horizon Medium – Long Term			
Transition	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.
Time horizon Short – Long Term			
Transition	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 for the central role of high-quality Australian thermal coal in reducing global emissions. We continue to advocate for the importance of Australian metallurgical coal as a critical input for steel production. We are also exploring alternative sources of funding and insurance.
Time horizon Medium – Long Term			

Response to climate-related risks *continued*

Risk Type	Risk	Description	Mitigation
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.
Transition Time horizon Medium – Long Term	Reputation	Changing stakeholder expectations and misunderstanding of 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 undersupply 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

We 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 (as outlined in [Our Business](#)).

We also invest in low and negative 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.

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 for the role higher-quality coal and CCUS technologies can play in contributing to meaningful carbon emissions reductions.

Business resilience and climate change

Since FY19, Whitehaven has responded to the voluntary recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). The TCFD disclosure requirements are structured around four elements of business operations: governance, strategy, risk management, and metrics and targets.

A central element of the TCFD's recommendations is that companies use scenario analysis to:

- 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 operating asset portfolio against the enduring IEA scenarios, STEPS and SDS.

The COVID-19 pandemic has introduced considerable uncertainty in relation to outlook for future energy use. In the WEO 2020 the IEA introduced a Delayed Recovery Scenario (DRS) which assumes the global economic recovery from the pandemic is delayed beyond 2021. We note IEA thermal coal prices under this scenario represent an approximate midpoint of the STEPS and SDS pricing and as result we have not flexed our models under this scenario specifically.

Instead we have analysed our forecasts under both enduring scenarios to determine the possible impacts on our business. Our key conclusions are:

1. The future of the Australian coal sector and high-quality coal producers such as Whitehaven is expected to remain robust.
2. Whitehaven exhibits resilience and value generation in a range of de-carbonising scenarios, including under a 2°C scenario.
3. Under the 2°C scenario, all Whitehaven mines would continue to have positive valuations and economic lives, consistent with current life-of-mine planning.¹
4. The risk of Whitehaven's assets being 'stranded' in a more carbon-constrained world is assessed as low.

1. Our "greenfields" projects will be tested for resilience as part of future investment decisions related to those projects.





Scenario analysis

Multiple aspects of the pace and scale of the global transition towards a lower-carbon world remain materially uncertain. These include, but are not limited to, the extent and pace 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 we can use to better understand and assess external risks to our business and inform strategic decision making.

It is important to note that a scenario is not the same as a forecast and should not be interpreted or treated as such. Scenario analysis is a mechanism that considers possible futures, some of these with dramatic deviations from a base or current case and with varying degrees of probability, to test business resilience and determine consequential financial outcomes. None of the scenarios contained within the WEO series are preordained.¹

IEA World Energy Outlook scenarios

Stated Policies Scenario (STEPS)

Expected warming of 2.7°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.

Sustainable Development Scenario (SDS)

Limiting warming to below 2°C by 2100 and achieving net zero emissions by 2070

- 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”.

Our scenarios

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

- [IEA Stated Policies Scenario \(STEPS\)](#), which reflects the impact of existing policy frameworks – including Nationally Determined Contributions under the Paris Agreement – and today's announced policy intentions out to 2040
- [IEA Sustainable Development Scenario \(SDS\)](#), which outlines a major transformation of the global energy system, showing how the world can change course to deliver on a Paris-aligned decarbonisation objective.

We note other scenarios covering a range of possible outcomes beyond those considered in this report exist. Some of these entail more rapid decarbonisation arising from a more precipitous decrease in the use of coal and other fossil fuels, including the IEA's Sustainable Development Scenario and Net Zero Emissions 2050 scenario.

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

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?

Where both of these questions are answered in the affirmative, we conclude our business is resilient.

We note current market conditions differ materially from the assumptions underpinning the IEA SDS scenario and that the SDS entails a fundamental transformation of the global energy system. A comparison of the emissions reduction requirements in the WEO 2020 SDS model with that outlined in previous years' reports indicates the expanding scope of the ambitious measures and behaviours required to achieve the goals of the pathway. The increase in emissions reduction requirements is accompanied by an increased reliance on negative emissions technologies required to achieve these goals.

Additionally, the new [IEA net zero emissions by 2050 scenario](#) (NZE 2050) envisages an even more ambitious emissions reduction trajectory leading to limiting warming to 1.5 degrees above pre-industrial levels. This represents a substantially more ambitious scenario than the SDS, requiring an additional 6.6Gt reduction in emissions by 2030.

Rapid decarbonisation scenarios of this type require globally coordinated effort on an almost unprecedented scale. Global cooperation and consumption patterns would need to materially shift, with outcomes such as a 17% reduction in primary energy use,² and a 75% reduction in business flights over 6 hours³ required to meet the IEA NZE 2050 scenario outcomes. As the IEA notes, “an unparalleled transformation of the energy sector and major behaviour changes in the next ten years would be needed to achieve global net zero emissions by 2050.”

1. IEA (2020), World Energy Model, IEA, Paris <https://www.iea.org/reports/world-energy-model>.

2. IEA World Energy Outlook, 2020, p 123.

3. IEA World Energy Outlook, 2020, p 56.

Product resilience

Using the IEA's WEO 2020 report, the latest in the IEA's 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.

In the STEPS scenario, overall coal demand in Whitehaven's key Asian markets increases over the period of the scenario, with decreasing demand in Japan being offset by increasing demand in India and Southeast Asia.

Resilience under STEPS

Global thermal coal demand contracts by 0.7% CAGR to 2040. Given the relative scarcity of high CV Australian thermal coal, our long-life mines are well positioned to meet growing demand for high-quality Australian thermal coal.

Resilience under SDS

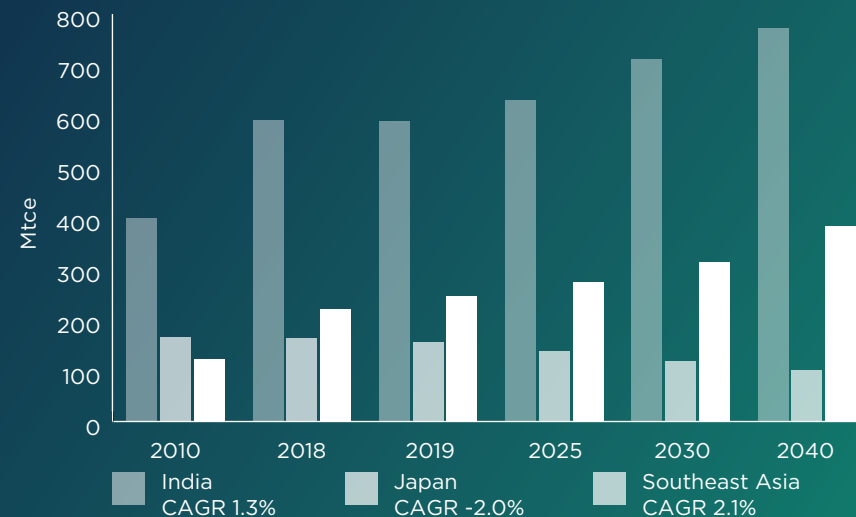
Global thermal coal demand contracts by 7.3% CAGR until 2040. Given the sources of demand and the expectation of growing quality requirements within our region, we anticipate that Australia will outperform the global seaborne market. Furthermore, in a carbon-constrained world and given the quality of 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.

The WEO 2020 states that in the SDS, all exporting countries are heavily affected, but those serving the emerging Asian markets with higher exposure to coking coal see a lesser decline and Australia remains the largest exporter of coal.¹

Under STEPS, while global seaborne trade declines modestly to 2040, Australia's exports are expected to grow at 0.37% CAGR, taking market share from other exporting nations.

1. WEO 2020, p 284.

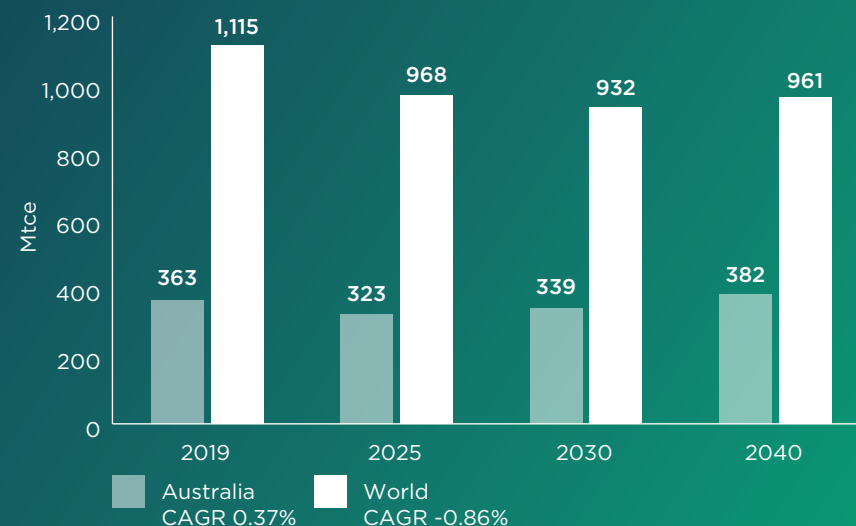
Coal demand in key Asian markets under the IEA's Stated Policies Scenario



Source: World Energy Outlook 2020

STEPS reflects the impact of existing policy frameworks – including Nationally Determined Contributions under the Paris Agreement – and today's announced policy intentions out to 2040. Refer to pages 14 and 28 for further information on scenarios other than STEPS.

Australian coal exports under the IEA's Stated Policies Scenario



Source: World Energy Outlook 2020

STEPS reflects the impact of existing policy frameworks – including Nationally Determined Contributions under the Paris Agreement – and today's announced policy intentions out to 2040. Refer to pages 14 and 28 for further information on scenarios other than STEPS.

Financial resilience

The WEO 2020 report contains delivered coal prices to Japan in 2025, 2030, 2035 and 2040 under the STEPS and in 2025 and 2040 under the SDS. Our resilience testing for each scenario is based on the IEA's respective prices after rebasing to an FOB Newcastle basis. We calculated linear year-on-year prices between the IEA prices and model the cash flow generation of our business over 20 years, until 2041.

While the IEA does not explain how coal prices are determined in its scenarios, coal demand is curtailed by the introduction of carbon prices. This reduced demand leads to the lower underlying coal prices seen in the scenarios, while the cost of the end product is inflated by the carbon price.¹

Resilience under STEPS	Resilience under SDS
Modelling of WEO 2020 coal prices under this scenario projects strong EBITDA margins and positive cash flows for our business, with all mines returning positive and robust NPV outcomes.	WEO 2020 assumed prices for coal are lower under the SDS than the STEPS case. Modelling shows the company is cash flow positive throughout the outlook period, with all mines remaining NPV positive.

Monitoring and reporting

Consistent with the TCFD's recommendations to monitor relevant external metrics to determine the most likely eventuating scenario over time, 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, our products and key markets. These are mainly IEA data points and include categories 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.

Whitehaven's signposts are a tool we use to monitor the changing energy landscape and to inform judgments about the probability of different IEA scenarios materialising over time. They are the 'backward-looking' component of our resilience testing framework as distinct to 'forward-looking' price analysis.

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 relevant to the physical market over time.

1. WEO 2020, p81.

Emissions

We are committed to ongoing efforts to reduce our operational emissions from energy use and haulage.

Our main sources of greenhouse gas emissions are:

- Fuel consumption (diesel) during mining operations – Scope 1
- Release of fugitive methane (CH₄) through mining coal seams – Scope 1
- Indirect emissions resulting from our consumption and use of purchased electricity – Scope 2.

Progress on our efforts is measured annually, in October, when Whitehaven reports to the Australian Government's Clean Energy Regulator (CER) on its greenhouse gas (GHG) emissions and energy production and consumption. This reporting follows the requirements of the National Greenhouse and Reporting Scheme (NGER), created under the [National Greenhouse and Energy Reporting Act 2007](#).

The United Nations Framework Convention on Climate Change (UNFCCC) and related rules have been in place since 1992 and represent the foundation for the accountability of national governments to progress their international commitments.

The rules specify that all emissions associated with an activity within a nation's borders count towards that nation's emissions total. This means emissions associated with the production of goods imported into Australia ('upstream' Scope 3 emissions) are accounted for in producing countries' greenhouse accounts, just as emissions associated with Australian exports ('downstream' Scope 3 emissions) are accounted for in importing countries' greenhouse accounts. This approach avoids double-counting and promotes complete, global coverage of emissions, as well as transparency, accuracy and comparability across all countries.

With the adoption of the Paris Agreement almost all countries, including major developing countries, have for the first time committed to respond to climate change and track their progress over time. Nations are individually responsible and accountable for determining their contribution to the global response to climate change.

The NGER scheme is a single, national framework for reporting on energy production, consumption and emissions. It supports the Australian Government's reporting obligations and so does not require reporting of Scope 3 emissions. The scheme is consistent with reporting systems in operation in the USA, the EU and South Korea.

In its recent review of the NGER scheme, the Australian Government's Climate Change Authority considered a requirement to report Scope 3 emissions. The Authority concluded that the challenges and burden of reporting Scope 3 emissions outweigh any benefits, because an accurate estimation of Scope 3 emissions associated with a specific economic activity is inherently complex and uncertain, involving many value chains across multiple economies.

Our annual reporting since the launch of the scheme in 2008-09 is available on the [regulator's website](#) and emissions from the past five years are set out below.

For the FY20 reporting period, the most recent reportable period under the NGER scheme, energy use increased (3%) on the previous year. This was related to increased haulage distances and the resultant increased diesel consumption. Over the same period total Scope 1 and 2 emissions decreased (1.2%) due to lower production across our mines resulting in lower fugitive emissions.

In FY21 we developed an internal emissions tracking system to complement existing systems and processes. The tailored software provides more frequent and granular information about emissions which further improves the accuracy of our emissions forecasting. This investment will allow us to improve our understanding of our emissions and energy use. We continue to work with commercial partners to analyse and evaluate opportunities to reduce operational emissions.

	FY20 ¹	FY19	FY18	FY17	FY16
Scope 1 and 2 greenhouse gas emissions (kilotonnes CO ₂ -e) ²	1,593	1,621 ³	1,441 ³	1,350 ³	1,162 ³
Intensity – greenhouse gas emissions (tonnes CO ₂ -e per tonne ROM coal)	0.077	0.070 ³	0.063	0.058 ³	0.057
ROM production (million tonnes)	20,580	23,223	22,925	23,137	20,504
Net energy consumed (terajoules) ⁴	6,313	6,134	5,937	4,918	3,948
Intensity – net energy consumed (gigajoules per tonne of run-of-mine (ROM) coal)	0.307	0.264	0.259	0.213	0.193

1. Most recent reportable period.

2. CO₂-e stands for 'carbon dioxide equivalent'.

3. As of FY20 WHC are reporting Scope 1 and 2 GHG emissions in line with the rounding requirements of the CER reporting system and publicly reported data.

4. Net energy consumed has been updated to reflect the CER publically reported data. This has historically been reported as total energy use.

Supporting our communities

Being a responsible operator involves working with our neighbours, traditional landowners and other stakeholders with openness and transparency, and in a meaningful and respectful way. Their involvement and feedback informs our decision making, meeting our aim of working in partnership with local communities.



Community contribution

We firmly believe the local community should be the main beneficiary of our presence and are focused on building local prosperity, improving quality of life, and ensuring our regional towns thrive.

The benefits of our presence go beyond our workforce and beyond the life of any single mine. Ultimately, our compact is to leave an economic and social legacy that outlives our mining operations, and lives on in the areas of education, health, skills and infrastructure.

FY21 community contribution



\$392,300

in community partnerships and donations



\$5.15 million

spent with 14 indigenous businesses

\$210.5 million

in wages paid



\$189.2 million

contributed to federal, state and local governments in taxes and royalties



\$344.7 million

spent with local suppliers

Investing in Australian communities



Identify, develop and operate high-quality, long-life, lower-cost coal projects



Promote local economic growth and sustainability through permanent job creation and local procurement



Help build local community capacity and viability through direct and indirect intergenerational investment in education, health, skills and infrastructure



Instill community trust through responsible environmental stewardship and community partnerships



Leave an economic and social legacy that outlives mining operations

Community engagement

Neighbouring landowners and local residents hold legitimate concerns about mining in their district. To work in partnership and instil trust, our approach is to try and engage with stakeholders early on and share information in a timely, meaningful and respectful way.

People have preferred ways of engaging and, recognising this, we offer a range of communication channels.

There are Community Consultative Committee meetings for each mine site, the minutes of which are published on our website, as well as newsletters, factsheets, environmental monitoring, assessments and audits, all of which are also available on our website.

Members of the public are invited to seek information or provide feedback online, by phone, or in person at our Gunnedah community shopfront, which is open Monday to Friday. Complaints are addressed through our dispute resolution process.

Presentations are made by our representatives to local councils, business chambers, other local forums and Whitehaven-hosted supplier briefings. Everyone is welcome to learn more about us by visiting our shopfront, attending our community drop-in sessions, mine open days and tours, or by visiting the [Whitehaven Coal website](#).

While the opportunity to run mine site tours during FY21 was impeded by COVID-19, we still hosted around 120 guests to our operations – including from local Rotary, Probus and Lions Clubs, Calrossy Anglican School Tamworth, the Minerals Council of Australia and the Australian Energy Council.

In FY20, we strengthened our capacity to engage with stakeholders by creating a General Manager-level role based in Gunnedah. An experienced leader was appointed to the role that year. In FY21, we finalised our Stakeholder Engagement and Community Investment Strategy 2021-2023.

Modelled on the International Association for Public Participation framework, the strategy brings a new level of commitment to best practice community engagement and incorporates ideas and feedback raised by our stakeholders. It clearly defines our desired engagement outcomes and sets out the activities we need to undertake to achieve them.

While our current engagement channels are considered best practice, we acknowledge the information provided needs to improve community understanding of:

- How we operate in harmony with a thriving agricultural industry
- Our operations
- The ways we invest in the community.

Improving community understanding in these areas will be our focus in the next three years. Our progress will be reviewed annually, with changes made as required.

To ensure community complaints are dealt with promptly and resolved consistently, in FY21 we centralised our community complaints process with an updated phone line, email options, and a set resolution process.



Local community group gets an insight into Narrabri operations

[READ MORE](#)

Contributing to local prosperity and sustainability

Through salaries and wages, locally-focused procurement, infrastructure investment, voluntary payments to councils, discretionary donations and sponsorships, we proudly support our local communities.

Alongside other local industries such as agriculture, the opportunities we provide through employment, development and procurement build a more diversified and skilled regional economy.

Leaving a legacy beyond mining



Investment in **health services** to support families and community wellbeing



Investing in **local education**, from preschool to tertiary level, forms a skills foundation for all local industries



Partnering with community organisations helps build their capacity and longevity



Stable **employment and training** opportunities builds the base of transferable skills, locally



Local **skilled workforce** staying in the region to take up skilled and professional jobs



Working with **local suppliers**, including to build capability, helps strengthen and diversify the regional economy



Investment in **infrastructure** such as roads, airports and other facilities benefits the community now and for decades to come

We are committed to:

- Hiring local people wherever possible – around 75% of our people live in the areas surrounding our operations
- Working closely with local businesses to offer new opportunities and help them grow
- Investing in local Aboriginal and Torres Strait Islander youth, the local Aboriginal and Torres Strait Islander community and related organisations to leave a lasting positive legacy.

During times of drought, we provide a valuable second income to many local farmers. In recent times, when local suppliers experienced a slowing of agricultural-client business due to drought, we stepped in to help keep their businesses strong. We are proud to play this part in sustaining a diversified regional economy for the longer term.

At some point our mines will reach their end-of-life and close (read information about rehabilitation [here](#)). Whitehaven has a pipeline of projects to offset these closures, ensuring our ongoing presence and contribution to local economies.

Plans for the Vickery Extension Project and the Narrabri Stage 3 Extension in North West NSW, and the Winchester South Project in the Bowen Basin, are proceeding through state and federal assessment and approval processes.

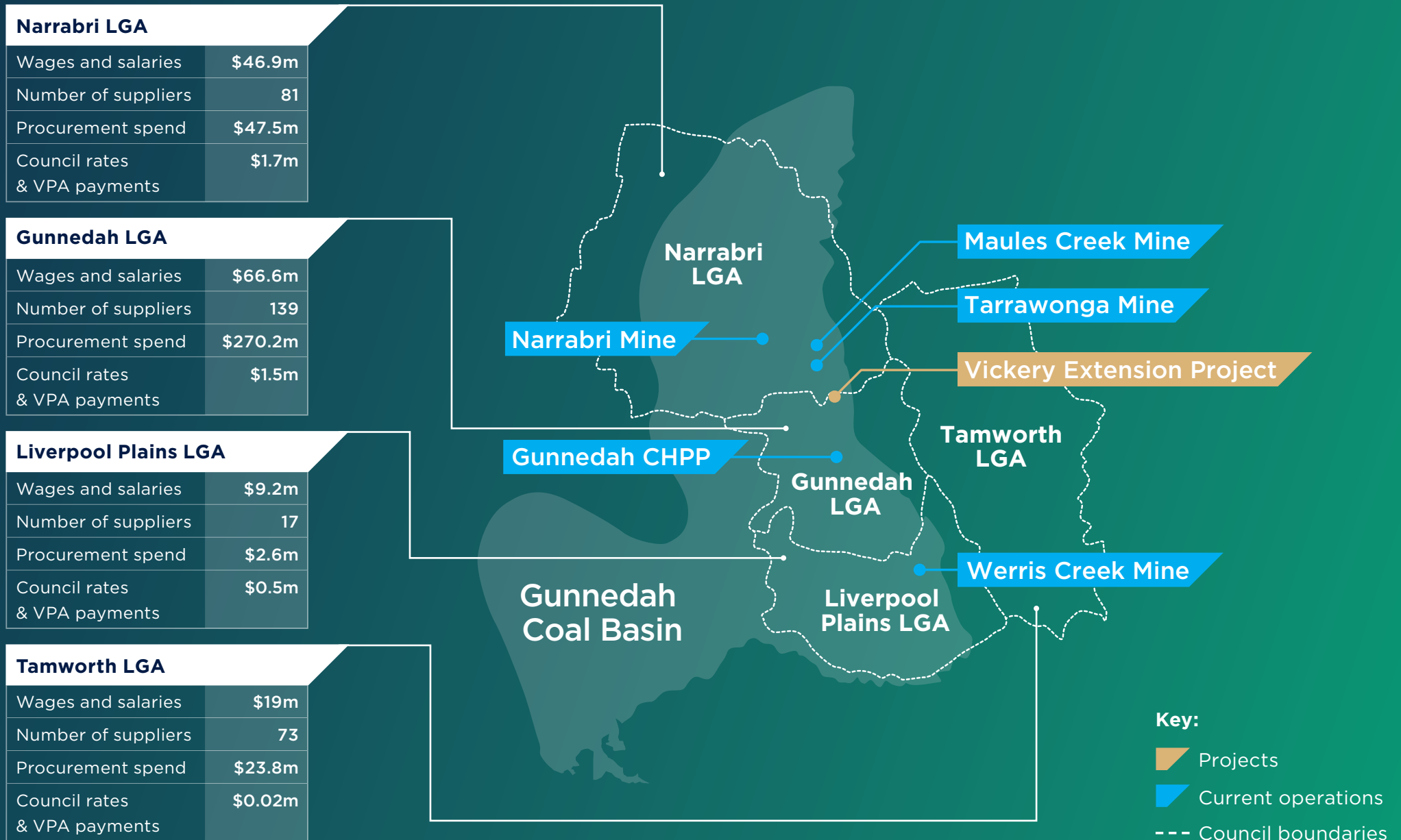
Working closely with local business

In FY21 we spent \$344.7 million with local suppliers in North West NSW and regional QLD. Of this, \$5.15 million was spent with 14 Aboriginal and/or Torres Strait Islander businesses for goods and services ranging from on-site training to office supplies. Total supplier spend contracted slightly compared to FY20, reflecting the lower coal price environment and the impacts of COVID-19. Despite this, we were able to keep growing our relationships with ATSI businesses.

To collaborate on current and future opportunities for local businesses, we actively participate in the five local business chambers: Gunnedah, Narrabri, Boggabri, Liverpool Plains and Tamworth. Opportunities are also explored through hosting business groups at our mine sites and inviting business owners to our supplier briefings.

	FY21	FY20	FY19	FY18	FY17
Taxes and royalties paid to governments (\$m)	189.2	244.2	323.8	283	226.3
Payments to businesses and suppliers in North West NSW (\$m)	344.1	365.4	333.9	293.2	237.7
Payments to businesses and suppliers in Central QLD (\$m)	0.6				
Payments made to all other suppliers (\$m)	1,111.9	1,270.1	1,202.9	1,107.4	990.2
Number of suppliers in North West NSW	310	336	328	315	311
Number of suppliers in Central QLD	8				
Payments made to Indigenous suppliers (\$m)	5.15	3.15	1.83	2.27	1.90
Number of Indigenous suppliers	14	9	18	22	10
Voluntary planning agreement expenditure (\$m)	0.71	0.61	0.73	1.75	4.13
Donations and sponsorships (\$'000)	392.3	411.9	515.4	445.3	296.4

Economic contribution to North West NSW in FY21



Empowering Aboriginal and/or Torres Strait Islander people

Our operations in North West NSW take place on Gomeri Country (also known as Kamilaroi, Gamilaroi or Gamilaraay), one of the four largest Aboriginal nations in Australia. In Queensland's Bowen Basin, our proposed new Winchester South Project is located on Barada Barna Country (also known as Baranha or Barna).

We acknowledge Aboriginal and/or Torres Strait Islander (ATSI) peoples as the First People of Australia. We recognise the Gomeri People of North West NSW and the Barada Barna People of Central Queensland as the Traditional Owners of the land on which we operate and recognise their role as custodians of the land and water.

We also recognise the challenges they face in their communities, especially in relation to employment, health, education and protection of cultural heritage. We are committed to continuing to work with the Gomeri People and Barada Barna People to overcome these challenges.

Our vision is to ensure Aboriginal and Torres Strait Islander peoples stay connected to country, community and culture by obtaining economic independence through long-term and rewarding careers in our mining operations, which occur on the Traditional Lands of the Gomeri and Barada Barna Nations.

This journey involves the enterprise and input of our board, management team, employees, members of the local ATSI community, the Local Aboriginal Land Councils within our areas of operation and their peak representative bodies such as the NSW Aboriginal Land Council, elected representatives, business leaders, Reconciliation Australia and other stakeholders.

For example, as the largest private sector employer in North West NSW, we have a unique opportunity to meaningfully progress our vision for a more united and equitable Australia. We leverage this opportunity by working with Gomeri elders and their community to offer stable, rewarding and long-term employment, provide cultural awareness programs to all Whitehaven employees, mark National Reconciliation Week and NAIDOC Week and purchase goods and services from ATSI-owned and run businesses.



Working with suppliers to create employment opportunities

[READ MORE](#)



Clontarf students tour the many roads to mining

[READ MORE](#)

Supporting school engagement and completion

Since 2016, Whitehaven has been supporting the Clontarf Academies at Tamworth and Quirindi High Schools. These Academies are run by the Clontarf Foundation, which exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men and by doing so equips them to participate more meaningfully in society.

In 2019 we made a commitment to provide \$120,000 over three years to help establish an academy at Narrabri High School. The first year saw 56 students from years 7 to 12 participate. This increased to 66 students in the second year and in 2021 75 students are taking part. School attendance amongst Clontarf students is 80% compared to 53% attendance amongst Aboriginal and Torres Strait Islander students at Narrabri High before the Clontarf Academy was established.

A program for Aboriginal and Torres Strait Islander girls was run by the Girls Academy. Gunnedah High School received financial support from Whitehaven since 2017 to help run the academy. Each year, around 50 girls from years 7 to 12 benefited and school attendance rates increased from 72% to 85% over the years. In December 2020, the federal government contract with the Girls Academy was not renewed and a new provider was appointed. While Gunnedah High School has decided to place its participation on hold in 2021, we continue to work with the school and others to identify an alternative initiative to support young Aboriginal and Torres Strait Islander women in our region.



Barada Barna memorial rugby league teams give their all

READ MORE

Supporting all generations, beyond our workforce

Whitehaven continues to provide intergenerational support by donating to and sponsoring local charities and organisations dedicated to:

- Engaging local Aboriginal and Torres Strait Islander youth in education, from kindergarten through to tertiary education.
- Strengthening Aboriginal and Torres Strait Islander families and the health of family members.
- Encouraging healthy lifestyles and building community through team sports.

Our support of the Winanga-Li Aboriginal Child and Family Centre in Gunnedah and Narrabri commenced in 2015 by way of providing leased premises and funding for buses.

In FY21, support expanded beyond infrastructure with Whitehaven introducing experts, providing advice on a pro bono basis, to help build the Centre's skills in securing government support for its childhood education, foster care, strong families and cultural projects.

Third Reconciliation Action Plan

In 2021, we will release our latest three-year Stretch Reconciliation Action Plan (RAP), our second 'Stretch' RAP, further building on our suite of initiatives and investments across the areas of health, education and cultural heritage.

In 2015 we released our first three-year Innovate RAP. This inaugural plan set ambitious targets aimed at making positive and sustainable improvements to the lives of local Aboriginal and Torres Strait Islander people. It will be replaced by the next three-year RAP, which sets more ambitious targets, in early FY22.

Whitehaven continues to be the major employer of Aboriginal and/or Torres Strait Islander people in the North West NSW region.

Ongoing employment initiatives, some of which are outlined in the [Talent & diversity chapter](#), reflect the goals outlined in our RAP, to:

- Embed and strengthen our existing activities to make them 'business as usual'.
- Offer a wider range of roles to ATSI employees.
- Provide professional development to ATSI employees to enable career progression into managerial roles.

To help ensure objectives are realised, in FY21 we created a new Aboriginal Community Relations Officer role. The role reports to our Aboriginal Community Relations Manager and, on filling the role this year, we increased our capacity to deliver on our aims.

Preserving cultural heritage

We recognise the significance of country to Aboriginal and Torres Strait Islander people, as well as our responsibility to protect and preserve our natural environment, especially as Australia is home to some of the oldest sites of human occupation in the world.

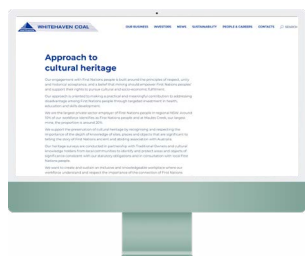
In FY21 Whitehaven launched its first cultural heritage vision statement. The statement sets out our commitment to preserving cultural heritage and is available [on our website](#).

In FY21, we reviewed the significance of cultural heritage sites on our operations, confirming the status of and centralising our internal register of sites. We also conducted a training session about cultural heritage management for relevant environmental, planning and approvals teams.

Beyond our operations and immediate sphere of influence, we will continue to contribute to broader industry efforts to strengthen our partnerships with Aboriginal and Torres Strait Islander communities as outlined in the Minerals Council of Australia's [Indigenous Partnerships statement](#) released in July 2021.

[VIEW NOW](#)

Cultural heritage vision statement



Whitehaven celebrates NAIDOC week with Indigenous artwork unveiling

[READ MORE](#)

Community partnerships

With 75% of our employees living in the regions surrounding our operations, we are committed to enriching their lives, the lives of their families and those of fellow residents by building strong local communities.

Among our initiatives in building strong communities is our program of discretionary community giving.

In FY21, our donations and sponsorships in our local communities came to around \$392,300, slightly lower than that of FY20 (\$411,900) as COVID-19 caused the cancellation of many community events. The most significant donation was to the Westpac Rescue Helicopter Service. Since establishing its base in Tamworth in 2000, Whitehaven has donated more than \$1 million to the service. The 24/7 emergency aeromedical team serves our local communities and we proudly support their tremendous work.



Breaking new ground with the Westpac Rescue Helicopter Service

[READ MORE](#)


Whitehaven welcomes locals to Kurrumbede for historic Open Day event

In June 2021 we welcomed more than 1,000 members of the public to the grounds of the historic Kurrumbede homestead. The day marked the first time the property with links to the late Dorothea Mackellar OBE, author of the iconic Australian poem, 'My Country', was open to the public in more than 100 years.

[READ MORE](#)

Our giving during the year was focused on initiatives supporting community health, the engagement of Aboriginal and/or Torres Strait Islander youth in education, interest in engineering as a career, representative level Aboriginal and/or Torres Strait Islander sport, and activities delivering benefits to local communities as a whole.

In addition to the Westpac Rescue Helicopter Service, FY21 recipients included the Clontarf Foundation, Future EDU, Narrabri Rugby League Football Club, Wests Tigers National Rugby League Football Club, Narrabri Local Aboriginal Land Council, Barada Barna Aboriginal Corporation, and a range of community events hosted by local rotary clubs, show societies, shire councils, arts organisations and schools.

Committed to education

We are heavily invested in supporting education in our local communities as part of our commitment to intergenerational skills and capability development.

To support local Aboriginal and/or Torres Strait Islander youth we have invested in the establishment of a Clontarf Academy at Narrabri High School and the Girls Academy at Gunnedah High School to improve school attendance and graduation rates.

For all young people across North West NSW we have donated more than \$100,000 to the Country Education Foundation since 2010. The Foundation provides direct financial assistance to help young people in regional areas pursue further education in or outside their district. The opportunities include apprenticeships, cadetships, degrees, diplomas and certificate-level studies. We are also proud to support the Country Universities Centre - North West, which helps people in our region pursue further education while continuing to help grow the thriving local community and economy.

Working with schools across North West NSW, we host school visits to our mine sites to allow students to learn about the mining sector first-hand. We reveal the wide range of jobs available and their corresponding fields of study - from engineering and environmental management through to procurement and community relations. In doing so, we encourage young people to pursue further studies and return to North West NSW to apply their knowledge and skills.

New approach to community investment

Following community feedback, in FY21 we refined our approach to community investment.

In essence, the new approach is more structured and open. From FY21, applications for Whitehaven sponsorship and donations will be advertised four times a year, with community representatives involved in the funding allocation process. On an annual basis, we will publish the list of recipients with commentary on how their activities met the criteria. For the purposes of probity, the annual statement will be vetted by an independent community representative.

This new approach will continue our tradition of supporting longer term partnership funding and one-off donations. Further, it will not change our focus on providing financial support to Aboriginal and Torres Strait Islander community achievement, health and education, and regional sustainability. That focus continues.

\$100,000+
donated to the Country
Education Foundation since
2010 for all young people across
North West NSW



Supporting local STEM connections through Future EDU

[READ MORE](#)

Minimising environmental impacts

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

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

Mining is a highly-regulated industry in Australia. Extensive stakeholder consultation, environmental assessments and environmental management plans are required by law for each stage of a project – from construction and operations to rehabilitation and closure.

We always look to strictly observe the environmental laws and regulations applying to our operational and development activity, and strive to continuously improve our performance.

Environmental assessments are undertaken and plans are put in place for managing any potential impacts to surface water, groundwater, flora and fauna, Aboriginal cultural heritage, historic heritage, air quality, noise, agriculture and geochemistry.

Independent subject-matter experts are engaged to undertake the assessments and provide planning advice. Their advice informs our environmental management plans. Our adherence to those plans is monitored and independently audited every three years.

The assessments, management plans, monitoring and audits for each of our sites are available on our website.

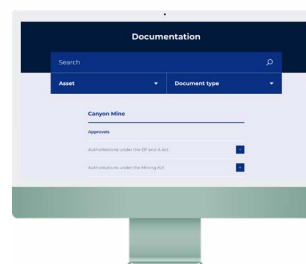
These documents evidence our commitment to planning carefully, mining responsibly in line with our approval conditions and monitoring and rehabilitating land progressively.

Community Consultative Committee meetings, the minutes of which are published on our website, and our formal complaint process, which is available online, by phone, or in person at our Gunnedah community shopfront, offer the opportunity for two-way communication to discuss concerns held by members of the community.

Consultation, both formal and informal, further informs our decision making.

In FY21, our approach to environmental management and compliance was further enhanced by:

- Developing our next Health, Safety & Environment (HSE) Strategy for FY22 to FY26. The strategy introduces a more comprehensive framework to deliver consistent and improved environmental performance and identifies specific initiatives.
- Introducing specific key leading and lagging performance indicators (KPIs) for all employees on environmental performance. Everyone at Whitehaven is responsible for ensuring proactive environmental compliance.
- The identification and verification of Critical Controls for environmental risks.
- The addition of specific resources to support improved compliance, which will continue to be a focus for FY22.



The assessments, management plans, monitoring and audits for each of our sites are available on our website.



Water stewardship

Water in the regions in which we operate is shared with neighbouring landholders, farmers, businesses and residents.

The Gunnedah region has recently been subject to considerable water scarcity, having only recently emerged from a period of intense drought that placed considerable pressure on water users right across the region. To ensure responsible water management, we have a water strategy in place for all operating mine sites and future projects. Implementation of the strategy is the responsibility of our Group Manager Water and Property, supported by our newly appointed Water Specialist.

Created in February 2021, the Water Specialist role provides subject matter expertise to support operations to meet their regulatory obligations and helps ensure long-term water security and responsible water management is front-of-mind at all times. Among various responsibilities, the specialist works with external stakeholders to improve our water management practices, inspects and audits our operational water management infrastructure, and undertakes future needs assessments.

During the drought period, we focused on initiatives that reduced our overall water consumption and encouraged water recycling. While recent rainfall has improved supply, we will continue our work in future proofing our operations through the use of life-of-mine water balance models to forecast future water needs.

Water use

In FY21, our operations used approximately 2,330 megalitres (ML) of their water allocation licenses. This represents around 20% of our total water allocation licenses.

We own 11,738ML of water allocation licenses, with allocations from groundwater (bore water and 'passive take') and the Namoi River.

A system of drains and dams collect clean water from undisturbed areas and divert the water around the mining operations into existing water courses. Rainfall run-off from disturbed areas of our mining operations is collected within open pits and onsite dams. This water is used on site for dust suppression and in the Coal Handling and Preparation Plants.

We look to recycle water wherever we can. The prime operational area for water recycling is the Coal Handling and Preparation Plants, where about 70% of water is recycled. Where possible, our water is also beneficially reused. The Werris Creek Mine has a 20 hectare pivot irrigation system used by a local farmer. In FY21, 21ML was used to irrigate crops.

We aim to minimise discharge of water off-site into surrounding water courses and use evaporation fans to manage excess water at our Tarrawonga and Werris Creek mines.

When licensed water allocations are not used in our operations, we can trade the allocations locally for irrigation purposes. In FY21, about 5,000ML was sold to local farmers.

Water use in North West NSW

In FY21 253,247 megalitres of water from the Lower Namoi River was allocated or made available to licensed water users in the region.

1.5%
of available water was
allocated to Whitehaven Coal

**Whitehaven generates
\$377,500
of revenue per megalitre
of water used**

This is a significantly greater
economic return than other
industries.

1.7%
of available water was
allocated to other water uses

96.8%
of available water was
allocated to irrigation

Source: Water Sharing Plan for the Upper Namoi and Lower Namoi Regulated River Water Sources 2020

Water stewardship continued

Water allocation and extraction

		FY21	FY20	FY19	FY18	FY17
Water licence allocation (ML)	Upper Namoi Alluvial	1,572	1,810	-	-	-
	Gunnedah Oxley Basin	4,448	4,428	-	-	-
	Great Artesian Basin – Southern Recharge	248	322	-	-	-
	River water	5,440	3,873	-	-	-
	Other	30	30	-	-	-
	Total	11,738	10,463 ¹	9,978	9,978	9,924
River/bore water extraction (ML)	Bore extraction	479	1,651	-	-	-
	River extraction	541	427	-	-	-
	Passive take (groundwater)	1,310	1,281	-	-	-
	Total	2,330	3,359	4,183	3,034	1,456
Water used (ML)	CHPP (gross)	3,511	3,428	-	-	-
	Dust suppression	2,648	2,370	-	-	-
	Other	423	467	-	-	-
	Total	6,582	6,265	6,826	5,316	3,649
Water withdrawal by source (ML)	Groundwater	1,789	2,932	-	-	-
	River water	541	427	-	-	-
	Surface water (mine water run-off)	5,050	1,255	-	-	-
	Total	7,380	4,072	-	-	-
Water exported for irrigation (ML)		60	80	102	42	-
Water recycled (ML)	CHPP recycled water	2,458	2,392	-	-	-
Water recycled (%)		37	38	23	22	18

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

1. Total for FY20 amended to include 'Other'.

Waste and recycling

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

The main waste products are:

- Overburden and interburden, the material that lies above and between coal seams
- Coal-reject, the material generated from separating coal from other minerals.
- Recyclable and non-recyclable general waste
- Other waste from mining and workshop-related activities (e.g. used large equipment tyres and waste hydrocarbons).

We do not own or operate any active tailings dams.

Mineral waste

To manage mineral waste, such as overburden and coal-reject, we segregate and store the materials in waste emplacements on each mine site.

This waste is generally non-hazardous however, as a precaution, geochemical tests are conducted on these materials to determine if they present any risks as a source of pollution.

The waste emplacements are designed to be safe, stable and non-polluting; they are progressively shaped by dozers to enable land rehabilitation.

General waste

For general waste, recyclable materials are segregated. Licensed waste contractors collect and process the recyclable waste and dispose of the non-recyclable waste at municipal waste disposal facilities (such as the Narrabri or Gunnedah waste management facilities). We maintain a register of waste collected by contractors.

Hydrocarbon waste

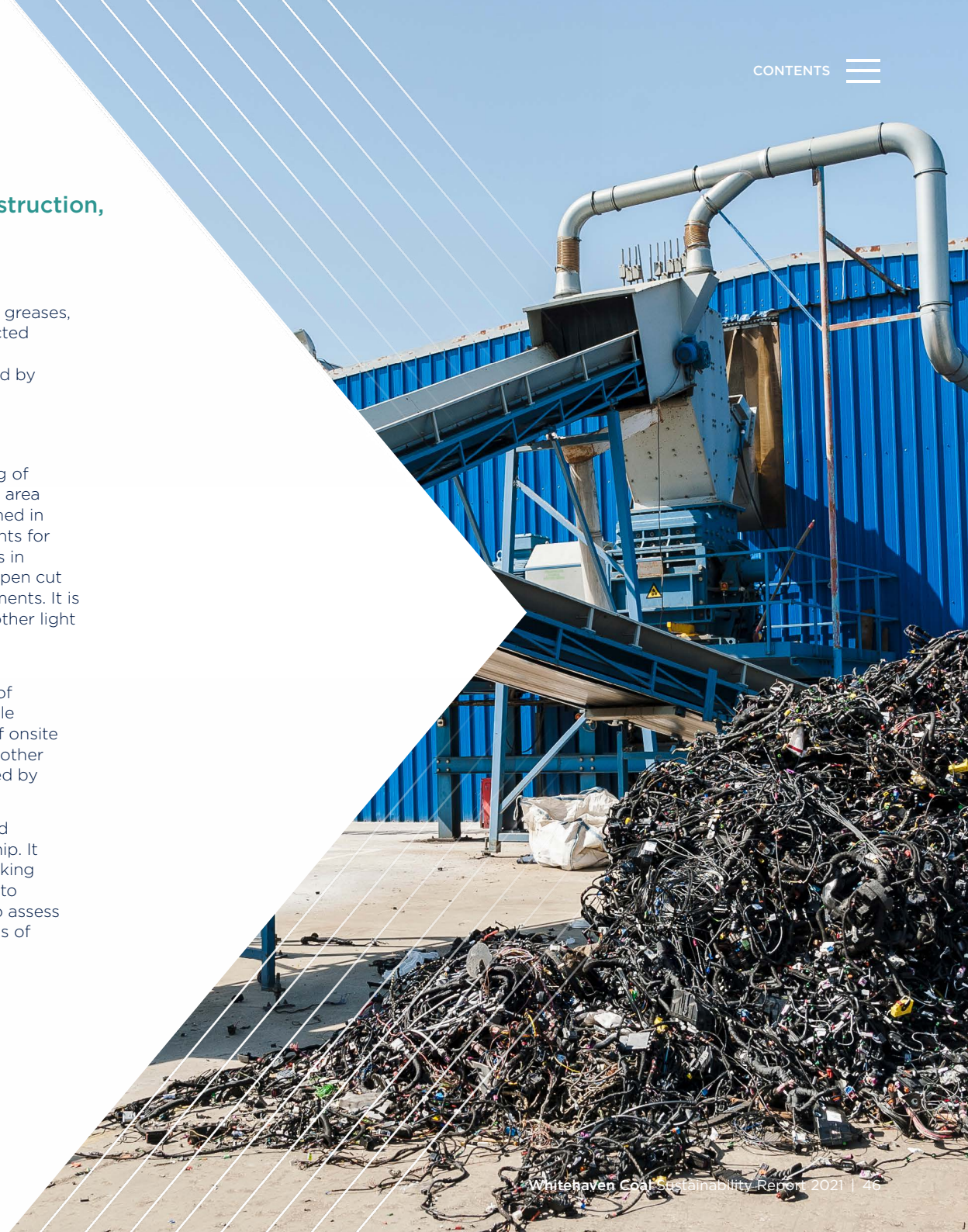
Waste hydrocarbons, including oils, greases, degreasers and kerosene, are collected and stored in hydrocarbon storage tanks. They are periodically removed by licensed contractors.

Used heavy tyres

Alternative approaches to disposing of oversized off-road tyres remains an area under review. Our practice, as outlined in our Environmental Impact Statements for each site, is to dispose of such tyres in overburden emplacements as the open cut mine advances or in spoil emplacements. It is important to note that we recycle other light vehicle tyres.

Disposal takes place in a way that does not compromise the stability of final landforms or pose unacceptable environmental risks. This practice of onsite disposal is permissible in NSW and other Australian jurisdictions and observed by industry peers.

We acknowledge the interest in, and importance of, good tyre stewardship. It is an area the mining industry is looking at more closely. We are committed to reviewing our approach regularly to assess the feasibility and cost-effectiveness of alternative approaches.



Air quality

We employ a range of methods to minimise our impact on air quality.

These include using:

- Water carts on mine roads
- Dust suppressants on mine roads and stockpiles
- Sprays on stockpiles
- Dust suppression on drills
- Measures to generally limit air quality disturbances.

In adverse weather conditions, such as excessive winds or dust storms, we modify our on-site activities to minimise the generation of dust. We also rehabilitate mined land progressively to minimise areas exposed to dust generation.

All our operational sites monitor air quality in real-time. These systems set trigger levels for air quality, below approved criteria, to allow operations to respond in advance and to ensure criteria levels are not exceeded.

Compliance monitoring results are publicly available through the Whitehaven and NSW Environment Protection Authority websites. To make this information more accessible, in early FY22 we will launch an online air and dust quality performance dashboard for our Maules Creek mine.

Run by the NSW Environment Protection Authority, the Namoi Region Air Quality (NRAQ) Monitoring Project also provides data to the public on the baseline ambient air quality. The data is supplied by privately owned monitoring stations in the Naomi region at Werris Creek, Breeza, Wil-gai and Maules Creek.

Whitehaven is involved in the project in a voluntary capacity as a member of the NRAQ Advisory Committee. Project monitoring results indicate that, in the absence of dust storms brought on by drought, air quality in the Namoi Valley is among the best in NSW.

Noise management

The *Protection of the Environment Operations Act 1997* governs noise emissions in NSW. Compliance is supported through Noise Management Plans for each operating site.

We minimise our noise impacts through a range of measures, including using:

- Predictive meteorological systems to plan our operations
- Sound attenuation on mining mobile equipment and infrastructure
- Real-time monitoring, allowing us to adapt our activities.

In FY21, we installed a directional noise monitor at our largest mine, Maules Creek. This allows us to more accurately identify sources of noise to implement operational changes to better manage our noise impacts.

Land use and biodiversity

The vast majority of the land we own in North West NSW and Queensland is not involved in mining activities. Of the more than 84,000 hectares of land owned by Whitehaven, only about 4.6% is used for mining activities.

Around half of the land we own is leased to local farmers for agricultural activities such as grazing or cropping and around 32% is managed for biodiversity conservation.

Biodiversity managed areas (such as biodiversity stewardship sites and those under conservation agreements as offsets) compensate for the biodiversity impacts that cannot be avoided or mitigated, also known as residual impacts. The total area managed for biodiversity purposes is a multiple of that disturbed for mining operations to achieve a net gain in biodiversity value.

Advice from independent experts guides how we select and incorporate offset areas into our biodiversity estate; offset areas are approved by the NSW and Commonwealth Governments. Approved offsets ensure that like-for-like or better biodiversity values are maintained and conserved into the future. All Whitehaven offset areas are now secured in perpetuity, protecting and enhancing biodiversity values, including threatened ecological communities and threatened species.

Throughout FY21, we continued to implement feral animal management, fire management, weed management and revegetation programs throughout our biodiversity managed areas.

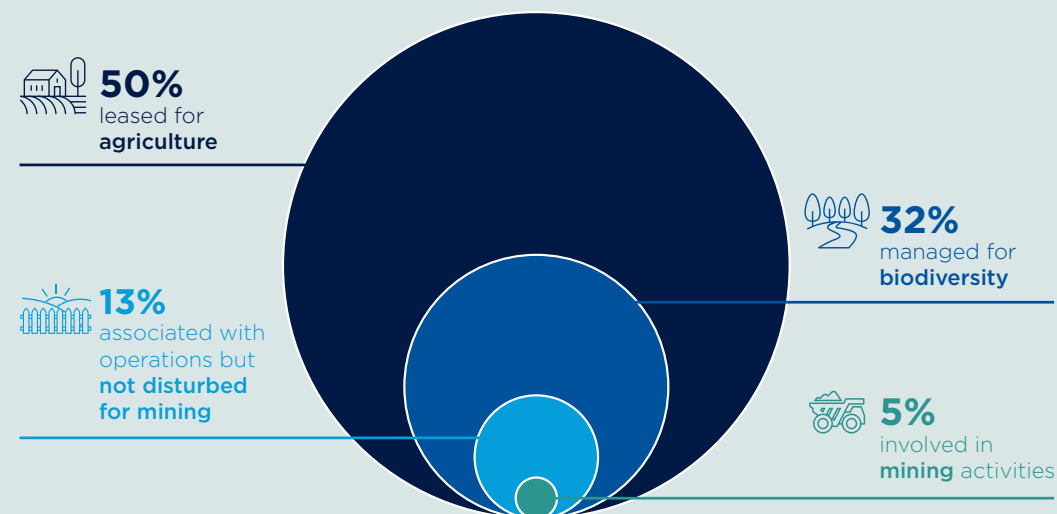
To track our progress, we collect biodiversity management metrics from our fencing, pest animal and weed control activities, and assess survey data from our flora and fauna monitoring programs. This adaptive management approach allows us to ensure survival rates from tree planting activities is as high as possible, for example, over 70% across our Maules Creek biodiversity managed areas in 2020.

Since 2017, and as part of the federal conditions of approval for our Maules Creek mine, we have provided more than \$1.1 million in funding to the Australian National University, the NSW Department of Planning, Infrastructure and Environment, and BirdLife Australia to undertake research and share information on the regent honeyeater, swift parrot and south east long eared bat.

4.6%
of the more than 84,000 hectares of land owned by Whitehaven is used for mining activities.

Whitehaven Coal land use FY21

Whitehaven owns 84,406 hectares of land.



	FY21	FY20	FY19	FY18	FY17
Total land owned in QLD and NSW (hectares)	84,406	79,421	74,499	75,460	67,601
Total land leased in QLD and NSW (hectares)	42,581	42,144	37,768	32,101	27,920
Total land leased for agriculture in QLD and NSW (hectares)	42,158	41,721	37,345	31,711	27,572
Land disturbed for mining in QLD and NSW (hectares)	3,920	3,636	3,559	3,168	2,942
Land involved in mining activities (%)	4.6%	4.6%	4.8%	4.2%	4.4%
Total land rehabilitated in financial year (hectares)	267.5	215.6 ¹	133	83	15
Total land rehabilitated – cumulative (hectares)	1,340.9	1099.6 ¹	884	751	668
Total land managed for biodiversity (hectares) ²	27,322	22,087	21,037	20,430	20,430
Trees planted in land managed for biodiversity	58,633	106,917	109,895	146,453	0
Area revegetated in land managed for biodiversity (hectares)	898	1,709	1,370	2,040	0

1. Figure revised up in FY21 to reflect correction identified as part of internal review.

2. From FY21 we report total land managed for biodiversity, of which a subset are land-based biodiversity offsets.

Rehabilitation

Rehabilitation is part of the lifecycle of a mine and, as temporary custodians of the land, we take our responsibility to rehabilitate the land seriously.

Our rehabilitation activity is carried out in consultation with the traditional custodians of the land, the Gomeroi people of North West NSW.

Plans for rehabilitation form part of the approval process for mining, and rehabilitation takes place progressively throughout the life of a mine and well after it has closed. The objective is to ensure the resulting landform is safe, stable and non-polluting and reflects the surrounding landscape, or improves on it.

During FY21, we undertook significant progressive rehabilitation, including rehabilitating 267.5 hectares of land formerly used for mining activities and planting 46,480 trees in rehabilitation areas.

We work hard to improve rehabilitation methods and look to the latest technology, particularly when trying to advance rehabilitation during periods of drought.



Whitehaven ramps up progressive rehabilitation at Maules Creek

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Modern rehabilitation of the Melville legacy coal mining site

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Compliance

In both NSW and QLD, where we have operational and development projects, mining is a highly regulated industry subject to strict environmental and workplace health and safety controls.

Every day, we are required to comply with more than 7,000 individual controls across various licence conditions and management plans. We are committed to strong performance in this critical area. In the regrettable instances where non-compliances do occur, we always seek to work cooperatively with relevant regulators and take steps to address all controllable factors that contributed to the non-compliance.

We were subject to a number of Enforcement Actions¹ in FY21.

We received a single Warning Letter for a breach of conditions of approval relating to Historical Heritage Management.

We also received the following for a number of historical breaches of conditions of approval that occurred during FY18 and FY20:

- A single Warning Letter relating to Cultural Heritage Management
- A single Warning Letter relating to provision of documentation on the Company website
- A single Penalty Infringement Notice for pollution of waters
- Five Penalty Infringement Notices and two Caution Notices relating to erosion and sediment practices.

We have introduced appropriate management measures to ensure the breaches are not repeated.

In early FY22, two Whitehaven Coal subsidiaries were convicted of offences under the *Mining Act 1992* (NSW) related to activities at the Narrabri Coal Mine. See the full publication order in the [Appendix](#).

1. Enforcement Actions include non-compliances recorded, cautions, warnings, directions, pollution reduction programs, penalty infringement notices, clean-up orders, enforceable undertakings, suspensions, and prosecutions.



Health & safety

The safety of our people, workplaces and communities is our number one priority. We believe every single member of our workforce should expect to be able to come home safely to their families and loved ones at the end of each day.



Our approach is risk-based, pragmatic and oriented to those areas where we know we are accountable and can have a positive impact.

Last year we established a new Health, Safety & Environment (HSE) function reporting directly to the Managing Director and CEO. This year we invested further in the function by introducing a customer-focused service delivery model and our next five-year strategy. The core objective of the strategy is to drive a step-change in HSE performance based on a strong foundation of getting the basics done right.

Together the revised service delivery model and new strategic approach will see:

- Continued development of our leaders' capability in Safety Leadership
- Better integration of systems, planning and processes to provide a more consistent HSE approach across the Group
- Improved data analysis to better track HSE performance and identify areas for improvement, with a focus on leading indicators.

In the future we will further demonstrate our commitment by adopting the principles of a High Reliability Organisation, enhancing our safety leadership capability, supporting the physical and mental health and wellbeing of our people, and maintaining strong operating discipline. We will continue to progress towards a mature safety culture with a foundation on psychological safety.

Another component of this step-change is our relationships with regulators. Australia's mining industry is subject to stringent regulation and Whitehaven always strives for cooperative, respectful and consultative relationships with regulators in the jurisdictions where we operate. With the appointment of the new EGM – Operations in late FY20 and EGM – HSE in early FY21, as well as a number of key changes within Government agencies, Whitehaven has taken a more proactive approach in dealings with regulators, particularly in relation to health and safety. Whether at the Group or site leadership level, we will continue to prioritise constructive engagement with Government in support of good regulation and sound HSE outcomes.



Safety of our workforce

We aim to execute on the fundamentals of safety to the highest standards, including investigating all safety incidents, prioritising peer and leadership safety interactions and creating a culture where unsafe work environments are identified and remedied.

Our overall safety performance was mixed in FY21. We saw improvement in a number of our leading indicators such as:

- 63% increase in the number of hazards reported across our operations
- 466% increase in the number of in-field safety interactions
- 24% increase in the number of actions completed on time.

In addition, our [Gunnedah CHPP](#) and [Rocglen](#) sites both achieved recordable injury-free records of 3,000 consecutive days.

Our Total Recordable Injury Frequency Rate (TRIFR) at 30 June 2021 was 5.9. While still well below the NSW coal mining average of 13.41, safety outcomes in this respect were not able to be sustained compared to last year. However, we are continuing to see a decrease in TRIF across the longer term.

This FY21 result was primarily driven by a series of minor injuries in the second quarter of the year. Intervention programs to address the underlying causes included hazard identification, increase in leadership safety interactions and our movement for improvement program to prevent musculoskeletal injuries. Since January 2021 there has been a 12% decrease in TRIF.

In FY21 we identified an opportunity to improve the effectiveness of our incident investigations. The purpose of incident investigations is to identify the cause of an incident and implement corrective actions to prevent a reoccurrence.

As part of this initiative we have:

- Identified two investigation methods: one for lower level incidents and the other when the incident could have resulted in a higher potential outcome
- Trained more than 40 leaders in these investigation methods
- Updated the tools to support the investigation process
- Established company-wide communications to share lessons from incidents.

In FY22, we will continue improve our health and safety performance including through increased rigour in our risk management. Relevant targets have also been incorporated into the business strategy including improving TRIF, closing material and critical actions on time, improving in-field leadership and site interactions, and improved incident investigation transparency and learning.

Reducing risk around vehicle interactions

One of the most significant risks in our business is the interaction between coal and overburden haulage trucks with smaller heavy equipment and passenger vehicles. These types of interactions are frequent and have resulted in fatalities in other operations.

The trucks used to transport coal and overburden are left hand drive trucks, which means if they follow NSW Road Traffic rules there is decreased visibility of light vehicles at intersections.

Vehicle hierarchy is used to reduce the likelihood of heavy and light vehicle interaction at intersections and control issues associated with blind spots on large mining equipment. Working closely with the NSW Resources Regulator, we are developing an improved approach to address vehicle-related incidents that will see us transition from using NSW road rules in production areas to a system of vehicle hierarchy for determining right of way.

This transition has been supported by tailored training for the workforce as well as contractors. Training includes an e-learning unit, with those requiring more support being trained using virtual reality in a scale model simulation. The change to vehicle hierarchy will be implemented at our Maules Creek mine in early FY22, followed by our other open-cut sites.

	FY21	FY20	FY19	FY18	FY17
Fatalities	0	0	0	0	0
Total recordable injury frequency rate per million hours worked (TRIFR)	5.9	4.1	6.2	6.9	7.4

Managing the risks of COVID-19

Especially in light of our status as a major employer in the North West NSW community, we have stayed agile as we respond to the evolving nature of COVID-19 and changes in state and federal Government settings that have arisen in relation to movement, mask-wearing, and COVID-19 testing.

We have maintained protective measures, including around hygiene, social distancing, limiting or postponing gatherings, travel and access to sites, and adjusted our response in alignment with public health advice. We have kept our people safe and employed, and maintained continuity of production and supply. No cases of COVID-19 in our workforce were recorded in FY21. We continue to work closely with our suppliers, including labour hire and transportation contractors, to mitigate against potential impacts of COVID-19 related restrictions.

We continue to participate in state and national industry association working groups convened to develop and implement COVID-19 response measures to keep communities and employees safe, and minimise the operational impacts of COVID-19 restrictions. The [Resources Sector National COVID-19 protocols](#) became a model for other sectors early on in the pandemic and we continue to share approaches and lessons within the industry, and to other sectors where applicable. In FY21 and into FY22, we have focused additional resources, both as a company and as an industry, on supporting the national vaccine roll-out.



Health, wellbeing and resilience

Mental health

In partnership with our new Employee Assistance Program (EAP) provider, in FY21 we developed a mental health first aid program for front-line leaders. The half-day program provides leaders with a knowledge base and tools to recognise and respond to teammates who are psychologically unwell, and ways to connect them to appropriate support such as the EAP, a mental health service, general practitioner or hospital. The program also reinforces managers' responsibilities regarding mental health. More than 50 operational leaders participated in FY21.

In FY21 we also developed a psychological injury and wellness Trigger-Action-Response Plan. This framework builds upon the mental health first aid training, to help leaders determine escalation points and clearly identify the appropriate type of support service when an individual is presenting as psychologically unwell. The framework will be trialled in FY22 with refinements made before rolling out across all operations.

Ongoing improvement to limit exposure to dust

In FY21, two new workplace exposure standards came into effect: the respirable crystalline silica standard and respirable coal dust standard. The revised standards reduce the acceptable exposure limits at coal mines. In preparation for these new standards coming into effect, we reviewed exposure data and identified opportunities to tighten or increase frequency of controls.

Given the differences between open-cut and underground operations, we also established an open-cut mine dust committee. Each quarter, team members from each open-cut operation share experiences and methods to reduce dust exposure, and periodically hear from external experts about industry best practice approaches. Our established Narrabri underground mine dust committee continues to meet.



Whitehaven workforce digs deep for men's health

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Talent & diversity

We are committed to promoting a workplace culture and environment in which every individual feels safe and supported.



We are committed to promoting a workplace culture and environment in which every individual feels safe and supported.

Our STRIVE principles of safety, teamwork, respect, integrity, value and excellence underpin how we work and interact with each other. By observing and espousing these principles we are better able to attract and retain a talented, diverse and inclusive workforce.

Every three years we conduct an employee engagement survey to gain insights on employee sentiment and to elicit qualitative and quantitative data to help guide our continuing investment in our people and culture practices.

Our FY21 survey identified the need for greater focus on the following areas:

- improved employee communication
- reward and recognition
- making learning and development opportunities more consistent across the business
- increased engagement and visibility from senior leaders.

The positive feedback received on our remote and flexible working during the COVID-19 pandemic has led to the continuation of these arrangements where this can be accommodated within the operational requirements of the business. We have introduced robust employee engagement action plans to continue to improve our engagement across sites and offices, tailored to experience and feedback from our diverse teams.

	FY21	FY20	FY19	FY18	FY17
Number of employees	1,171	1,187	1,062	1,027	960
Number of full-time equivalent contractors	1,363	1,364	1,362	1,224	941
Wages and salaries (\$m)	210.5	209.1	189.9	172.1	159.4
Female representation (%)	12	12	13	10	11
Proportion of workforce identifying as Indigenous (%)	9	9	9	11	11
Total employee turnover (%)	22	17	23	22	18



Attraction, retention and development

Throughout FY21, our internal recruitment function continued to grow, and continued a trend of Whitehaven relying less on external recruiters. To help build this area, we invested in digital recruitment platforms to deliver greater efficiencies in cost, increase compliance and provide a more streamlined and user-friendly experience for candidates.

Our contractor workforce fulfils a number of critical short and longer term skills and capability gaps across our operations. Throughout FY21 we have converted more than 100 contractors to full-time Whitehaven employees, to ensure we retain and continue to develop the talent needed to support our strategic agenda.

During the year we started our new Trainee Operator Program. The program offers participants entry-level employment and the opportunity to gain a nationally recognised qualification. 25 new local trainees were recruited to complete the two-year program and receive a CERT III in Surface Extraction Operations. Launched in April 2021 at Maules Creek Mine, the program has already delivered results with the new trainees operating equipment solo at a faster rate than regular traineeships. In FY22, we will

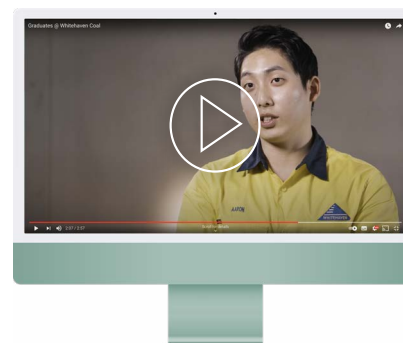
progressively roll out similar local traineeship opportunities across the areas of business, administration and logistics.

The recruitment for our graduate program got underway with 10 university graduates selected for our graduate program, commencing at the start of CY22. This newly formed program offers graduates from a range of disciplines the opportunity to gain work experience through three structured rotations around the organisation.

Leadership training remains an area of focus, reinforced by the results of the recent employee engagement survey. In FY21 we ran a number of training and coaching programs to help our people build their management and leadership skills. This program will be formalised and embedded in a holistic Frontline Leadership Program from FY22.

WATCH NOW

Graduates @ Whitehaven Coal



Upskill Program helping people to trade up

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First locals start mining careers through new traineeship program

[READ MORE](#)

100

contractors converted to full time Whitehaven employees

10

university graduates selected for our graduate program

25

new local trainees recruited to complete two-year program and receive CERT III in Surface Extraction Operations

Employee relations

Whitehaven has eight collective agreements within the business and approximately 65% of the workforce is covered by Enterprise Agreements, and we have a positive and constructive relationship with representatives of our employees.

Towards the end of FY21, we launched our revised Employee Relations Strategy, which responds to the changing nature of the business and the need to continue to maximise productivity. A key aim of the strategy is to improve communication and engagement with our workforce, including sharing information regarding the performance of the business and industry workforce trends.

**8**

collective agreements
within the business

**~65%**

of the workforce is covered
by Enterprise Agreements



Diversity and inclusion

As outlined in our [Diversity Policy](#), Whitehaven has set measurable objectives for promoting and enhancing workplace diversity.

Progress on female representation

Over the past year, as outlined in our 2021 report to the Workplace Gender Equality Agency, we promoted nine women, with four of those being to managerial positions, resulting in a slight increase in the proportion of managers who are female from 10% to 11%. Throughout FY20 and FY21 we introduced additional rigour in the recruitment process to focus on increased gender diversity, and as a result women represented 19% of new hires during FY21. Women represent 12% of our workforce, below the coal-mining industry average of 15.5%¹ and consistent with previous years. We have more to do to increase diversity and we will continue to consider measures that make Whitehaven a more attractive place to work, as well as measures specifically targeted to lift diversity.

We continue our longstanding partnership with Women in Mining (WIMnet) NSW. This includes sponsorship and participation in its Mentoring Program. The program provides females across the sector the opportunity to be mentored and network with leaders in the mining industry. In FY21, five of our emerging female leaders participated in the six-month program.

A range of factors contributed to us not meeting our goal of increasing female representation in FY21. In FY22, we are introducing targeted initiatives to increase female participation, which will include setting a target for female participation in our workforce.

In addition, we are developing and implementing leadership programs with a focus on ensuring a diverse representation from groups such as female leaders, Aboriginal and/or Torres Strait Islander leaders, and other high performers.



Georgia takes out NSW trade award

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Progress on Aboriginal and Torres Strait Islander employment

A key commitment for our business and our Reconciliation Action Plan is to support Aboriginal and/or Torres Strait Islander (ATSI) economic empowerment by employing and training local ATSI people.

We are proud to have significantly exceeded our goal of having 10% of roles at Maules Creek Mine filled by ATSI people. At the end of FY21, around 20% of the workforce at Maules Creek identified as ATSI, consistent with FY20. Company-wide, around 9% of our workforce identifies as ATSI.

During the year, we began looking at ways to promote a wider range of roles to local Aboriginal and Torres Strait Islander people and also delivered mentoring and coaching opportunities to help existing employees move into management positions.

We also announced a partnership with Aboriginal Employment Strategy to recruit ATSI candidates for both construction and operational jobs at the Vickery Extension Project. The target is to have a 10% representation of ATSI employees on the site. This initiative will further solidify our position as a major employer of ATSI people in the North West region.

Building on such success, we are working with our recruitment team to place ATSI students in our new Trainee Operator Program, and continue to work with the Clontarf Academy and other education partners to encourage local students to consider a career in mining. Find out more about our partnerships in the Community chapter.



1. Workplace Gender Equality Agency.

Appendix

Narrabri Coal Pty Ltd and Narrabri Coal Operations Pty Ltd Guilty of Breaching Mining Act and Fined a Total of \$372,500

Narrabri Coal Pty Ltd (“NC”) has been convicted of 10 offences under the *Mining Act 1992* (NSW) for being a holder of two authorisations under that Act, conditions of which were contravened by Narrabri Coal Operations Pty Ltd (“NCO”). The authorisations held by NC are Mining Lease 1609 (“ML”) in respect of the Narrabri Coal Mine (“mine”), approximately 30km from Narrabri, New South Wales, and Exploration Licence 6243 (“EL”).

NCO has been convicted of nine offences under the *Mining Act 1992* for causing the contraventions of the EL.

NC and NCO are both wholly owned subsidiaries of Whitehaven Coal Limited (“Whitehaven Coal”). They were fined a total of \$372,500 by the Land and Environment Court of NSW (“the Court”) for the commission of the offences.

Two activity approvals under the EL provided for a number of exploration boreholes to be drilled at numerous locations within the exploration area. NCO contravened a condition of the EL on nine occasions, including drilling two exploration boreholes in the wrong locations, failing to seal one borehole within 28 days after use, and creating access tracks in unapproved locations within the Pilliga East State Forest. NCO also failed to prepare a Rehabilitation Management Plan within a required time period.

As holder of the EL, NC was liable for those contraventions and was convicted for the nine offences. An exploration borehole within the ML was not sealed once it ceased to be used resulting in the tenth conviction against NC.

The creation of access tracks in unapproved locations within the Pilliga East State Forest led to short term minimal environmental harm through the loss of habitat, breaks in ecological connectivity, and disturbances to the ecosystem in those locations.

The conduct comprising the offences was first discovered by the NSW Resources Regulator (“the Regulator”) during an audit of the mine. Following the audit, the defendants voluntarily suspended exploration activities from 24 July 2019. The Regulator formally suspended exploration activities from 22 August 2019, pending completion of a third party audit and report in relation to the defendants’ systems for compliance with conditions of the EL and the completion of all necessary corrective actions to the satisfaction of the Regulator.

The defendants completed all corrective actions and recommendations arising from the third party audit, and on 10 August 2020 the Regulator revoked the suspension.

On 13 August 2021 the Court convicted the defendants of the offences against s 378D of the Mining Act 1992, and:

- imposed fines totalling \$372,500;
- ordered the defendants to jointly pay the prosecutor’s professional costs;
- ordered the defendants to publish this notice in the *Australian Financial Review*, *The Daily Telegraph*, *The Narrabri Courier*; and
- ordered the defendants to publish this notice on the mine’s website and on Whitehaven Coal’s LinkedIn page and in its next *Sustainability Report*.

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