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Sustainability
Report 2022

STANMORE RESOURCES LIMITED

STANMORE RESOURCES LIMITED
ABN 27 131 920 968

Contents

Rehabilitated land at South Walker Creek mine

This Sustainability Report (Report) covers the Sustainability (Environment, Social and Governance (ESG)) performance, policies and practices that are most material to Stanmore Resources Limited and its consolidated subsidiaries (Stanmore) and our stakeholders for the calendar year 1 January 2022 to 31 December 2022 (2022).

As part of our maturity journey in sustainability reporting, this year we have reported with guidance from the Global Reporting Initiative (GRI) Standards, the Universal Standards and the Coal Sector Standard for 2022. For a full listing of disclosures, please refer to the GRI Content Index at the end of this report.

This report has been prepared for stakeholders with an interest in Stanmore and the metallurgical coal mining industry, and as a means to disclose our sustainability performance against a standard set of metrics. This report should be read in conjunction with our GRI Content Index and our Annual Report, which is available on our website: https://stanmore.net.au/.

Reporting Boundary and Scope

The reporting boundary of this report includes operational sites wholly owned and controlled by Stanmore in 2022 and excludes the corporate office, exploration sites and projects, unless otherwise stated.

Wholly owned and controlled sites include Isaac Plains, Isaac Downs, South Walker Creek, Poitrel and Red Mountain Infrastructure. Data and disclosures throughout this report correspond to these sites, unless otherwise stated.

South Walker Creek and Poitrel were acquired by Stanmore in 2022 and data migration was a critical focus throughout the post-acquisition integration process. However, collecting and aggregating relevant historical sustainability data for the newly acquired assets was a challenge. Improving our data maturity in an integrated approach is a priority action for Stanmore in 2023, as we continue to improve our sustainability reporting practices.

We have used all available data and evidence in preparation of this report. Where there are inconsistencies and data gaps, we have acknowledged this in the relevant section of the report. Any data requiring restatement is noted within this report.

This report does not include data from the Millennium and Mavis Downs joint venture, in which we own a 50% share. For accounting purposes, Stanmore reports the joint venture on an equity accounted basis and therefore no production or sales volumes are included in Stanmore's financial results.

Refer to Section 3: Our Business and Performance for a full list of operational sites, corporate offices, and exploration projects and sites.

The entities referred to in this report correspond to the entities in our audited consolidated financial statements and financial information.

Reporting Framework

We are reporting in reference to the *GRI 12: Coal Sector Standard 2022* where the GRI Standards also informed our methodology in undertaking our 2022 materiality assessment. Considering our business has changed significantly in 2022, where possible, we have reported data and information consistent with the metrics used in the 2021 report.

External Assurance

We have not sought external assurance for disclosures within this report.

Contact information for any queries in relation to this report:

This report is authorised for release to the market by the Board of Directors of Stanmore Resources Limited.

2. Introduction

2.1 A Message from the Chief Executive Officer

I am pleased to deliver Stanmore's 2022 Sustainability Report and demonstrate how sustainability, underpinned by ESG factors, has become central to how we conduct business and create value for our stakeholders.

This report outlines our impact, performance and ongoing commitment to sustainable operations.

2022 has been a transformational year for Stanmore — one during which we have seen record-level demand for metallurgical (steelmaking) coal, expanded our business, and made great strides in sustainability.

In October 2022, we completed our acquisition of 100% of BHP Mitsui Coal Pty Ltd — now Stanmore SMC Pty Ltd (**SMC**). This has led to a significant increase in the scale and production capacity of our operations and positions us as one of Australia's largest exporters of steelmaking coal.

We recognise stakeholders' increasing demand for transparent and accurate sustainability and ESG reporting and are dedicated to fulfilling our commitments and maintaining our social licence to operate.

Following the development of our first Sustainability Report in 2021, we have continued to build on our understanding of sustainability and what it means for our organisation.

In 2022, Stanmore defined our sustainability pathway, identifying where we can make improvements and implement sustainability initiatives that lessen our impact on our people, communities and planet, and we are pleased to be able to report on how implementation of our initiatives is progressing. A key element of our pathway was conducting our first materiality assessment to help us better understand the areas of our operations that have the greatest impact on our stakeholders. This assessment aided us in defining the sustainability focus areas for our business: decarbonisation; responsible water and waste management; sustainable land management and rehabilitation outcomes; the health, safety and wellbeing of our people; working with and supporting our communities; workforce development and inclusion; and being a trusted and responsible mining company. These themes form the structure of this report and will guide the future direction of our sustainability efforts.

Stanmore acknowledges the Australian Government's 2022 commitments to a net-zero emissions economy by 2050 and will continue to play a role in this transition, as a responsible producer of steelmaking coal.

Importantly, we believe in an approach that achieves a timely and just net-zero energy transition, balanced with the necessity of supporting steel manufacturing for industrialisation and decarbonisation. In collaboration with our stakeholders, we will continue to responsibly manage our operations by seeking to reduce greenhouse gas (**GHG**) emissions intensity from our operations.

Due to the nature of our industry, managing the physical and transitional risks of climate change continues to be a key consideration in our group strategy. This will include regularly monitoring the interests of key stakeholders in our business so that our strategy is resilient and responsive to the evolving process of tackling climate change.

In this context, a key focus in our sustainability pathway continues to be managing and disclosing our climate-related risks and opportunities in line with the Taskforce on Climate-Related Financial Disclosures (**TCFD**) Framework. In 2023, we will be investigating emissions reduction mechanisms with the aim of developing a decarbonisation pathway for our operations.

We recognise our operations have a direct impact on the environment and the communities in which we operate, and we are committed to minimising this impact. Our focus for the future is on further embedding sustainability into our operations and moving beyond compliance. We will continue our sustainability journey in 2023, delivering on our climate-related goals, as well as progressing our aspirational goals to establish a group water resilience strategy, set annual safety and health targets as part of our business planning metrics, and implement Stanmore's first Reconciliation Action Plan (**RAP**), which was developed in 2022.

On behalf of the Senior Management at Stanmore, thank you for taking the time to read our 2022 Sustainability Report.

Marcelo Matos
Chief Executive Officer
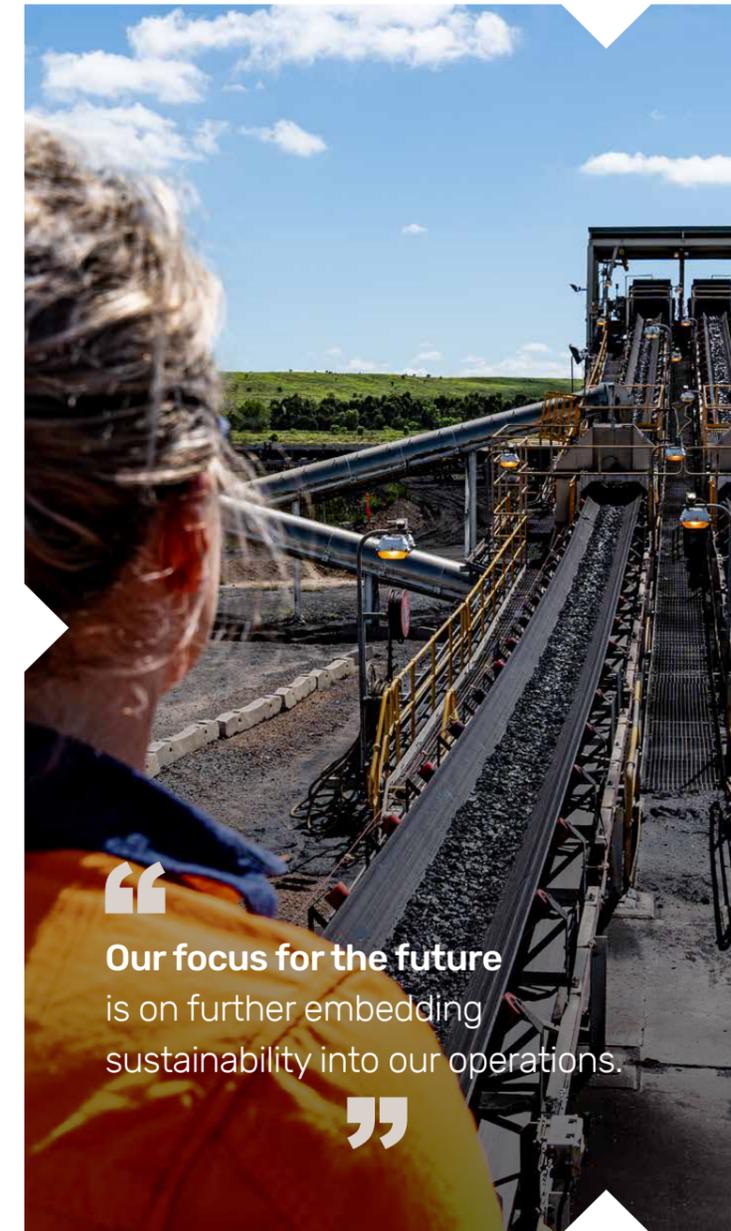
> **Our focus for the future** is on further embedding sustainability into our operations.

3. Our Business and Performance

3.1 Our Business

Stanmore is an Australian metallurgical coal company with mining operations and exploration projects in the Bowen and Surat basins, in Queensland, Australia. The coal we produce is predominantly used in the production of steel for infrastructure, construction and technology projects, including those that are critical to the transition to a lower-carbon economy.

We acknowledge and pay respect to the Traditional Owners of the land on which we work and operate: Yuggera Country in Brisbane and Barada Barna, Widi and Jangga Country in Central Queensland. We respect their role as custodians of the land and water, and their right to maintain their culture, identity, traditions and customs.

We are proud of the relationships we have developed with First Nations and remain committed to supporting and strengthening our partnerships in a spirit of cooperation and reconciliation.

Our Vision

To be a leading resources company in Australia, creating value to our stakeholders through sustainable development.

Our Values

Commitment

We are committed to safety as our number one priority and to always achieving the best possible outcome.

Integrity

We do the right thing.

Innovation

We develop processes/ideas that increase productivity and company growth.

Continuous Improvement

We aim to continuously enhance ourselves and our operations.

Positive Attitude

We display encouraging behaviour that builds and fosters lasting relationships.

Loyalty

We implement the company's core values in our day-to-day operations.

Our Mission

Genuine care for our people, their safety, the environment and the stakeholders involved with our operations.

Achieve sustainable development by:

- Having high standards and a strong safety and health culture

- Responsibly managing and maximising extraction of our resources and reserves via best-in-class mining practices

- Ensuring the continuity of our business by fostering and developing growth and reserve replacement initiatives

- Developing projects in the renewable energy space to support our existing businesses reducing our carbon and emissions footprint.

Building and fostering a culture of an agile, entrepreneurial and simple organisation.

Focusing on continuous improvement and operational excellence.

Importance of steel in the transition to a lower-carbon economy

Steel offers a unique combination of strength, durability, versatility and sustainability. It is 100% recyclable, and its strength and durability minimises environmental impact by reducing the quantity of material required for construction, as well as the need for frequent maintenance and repairs.

It is estimated that approximately 70% of steel production requires the use of metallurgical coal.[1]

Steel will play an important part in the transition to a low-carbon economy. It is used in the construction of renewable energy projects, such as wind turbines and solar farms, and in the development of low-carbon transportation systems, such as electric vehicles and public transportation. It is also a critical material in the construction of low-carbon buildings. Its high strength-to-weight ratio allows for greater design flexibility and innovation and can lead to reduced energy consumption and greenhouse gas emissions over the life of a building.[2]

Global steel production is forecasted to continue to grow, to meet expanding demand driven by the megatrends of urbanisation, industrialisation and decarbonisation. Most steel is also expected to be produced using the current blast furnace process for the foreseeable future while alternative technologies mature and develop.

Poitrel mine

1. World Coal Association, https://www.worldcoal.org/coal-facts/coal-steel/
2. World Steel Association, https://worldsteel.org/about-steel/about-steel/

3.2 **Our Operations**

In 2022, we became one of Australia's largest metallurgical (steelmaking) coal producers to global markets.

Our wholly owned, coal producing assets include:

- Isaac Plains (open cut and underground project)
- Isaac Downs
- South Walker Creek
- Poitrel and the Red Mountain Infrastructure Coal Handling and Processing Plant (**CHPP**).

Stanmore is also a 50% shareholder of the Millennium and Mavis Downs mine through a joint venture and has two near-term development assets: the Wards Well and Lancewood projects.

We also have a portfolio of highly prospective, greenfield tenements located in the Bowen and Surat basins as listed below:

- Nebo West
- Bee Creek
- The Range
- Clifford
- Lilyvale
- New Cambria
- Belview
- Tennyson
- Mackenzie.

Combined, these greenfield tenements have a JORC resource totalling 1,656 Mt.

### Our Site Operating Models

Each of our sites employs a different operating model, as shown in the table below.

All contractors are bound by contractual agreements that outline their roles, responsibilities and obligations in relation to mining operations at Stanmore sites. These agreements are essential for ensuring smooth and efficient operations at the mine, and are regularly reviewed and updated to reflect any changes in the business or industry.

Site Operating Models

Site	Stanmore Site Senior Executive (SSE)	Coal Mine Operator (CMO)	CHPP Operator
South Walker Creek	Yes	Pre-strip operations: Contracted Other/Dragline: Owner Operated	Owner Operated
Poitrel	Yes	Predominantly Owner Operated	Contracted
Isaac Plains and Isaac Downs	No	Contracted	Owner Operated

Bowen and Surat basins map showing tenements
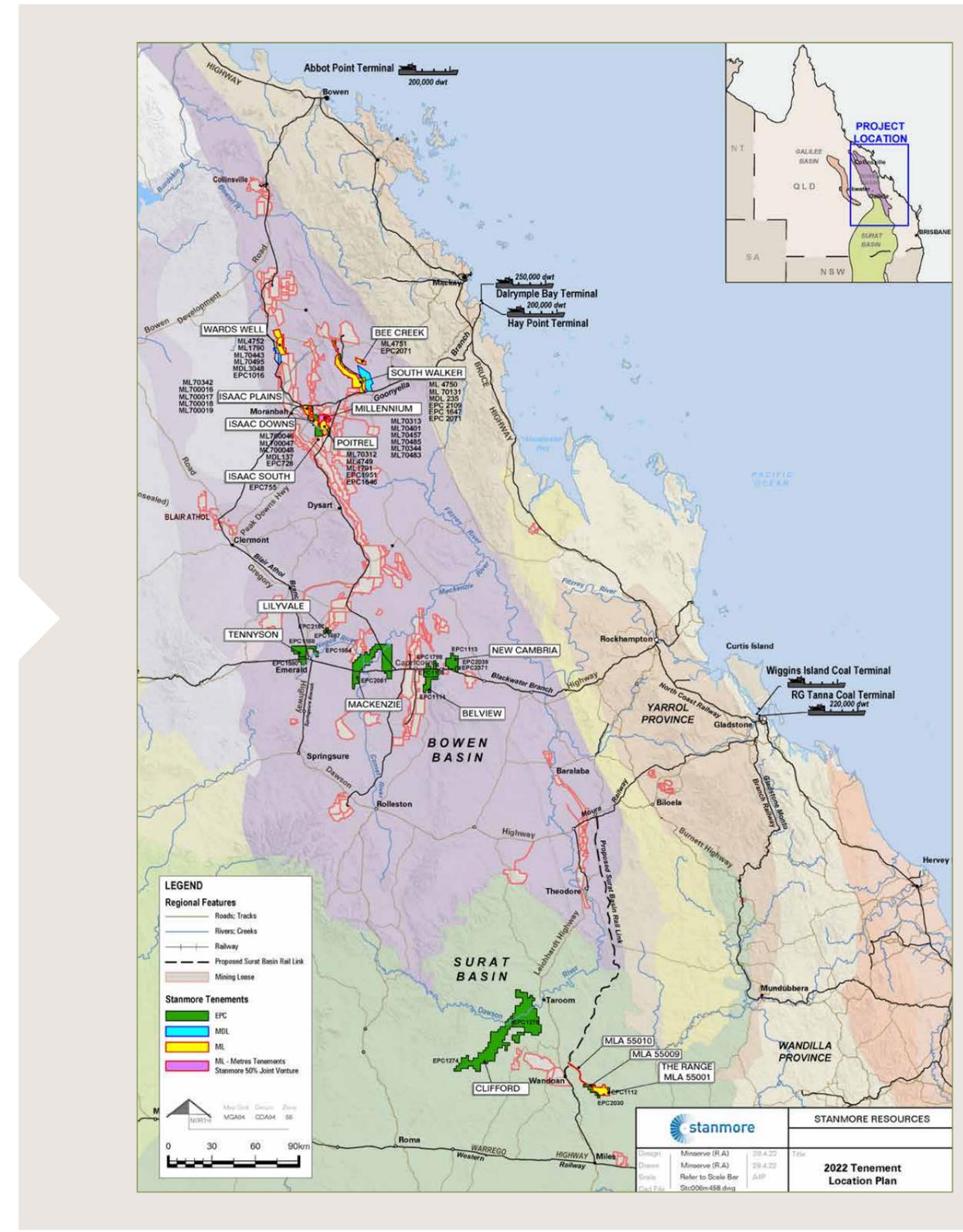
3.3 Operational Changes

The scale and production capacity of our operations increased significantly during 2022.

In May 2022, Stanmore completed the acquisition of BHP Minerals Pty Ltd's 80% interest in BHP Mitsui Coal Pty Ltd (**BMC**). The business was renamed Stanmore SMC Pty Ltd (**SMC**). In October 2022, Stanmore completed the acquisition of the remaining 20% interest in SMC held by Mitsui.

Following completion of the transactions, Stanmore now owns 100% of SMC. Please refer to Stanmore's ASX announcements for further details of these transactions.
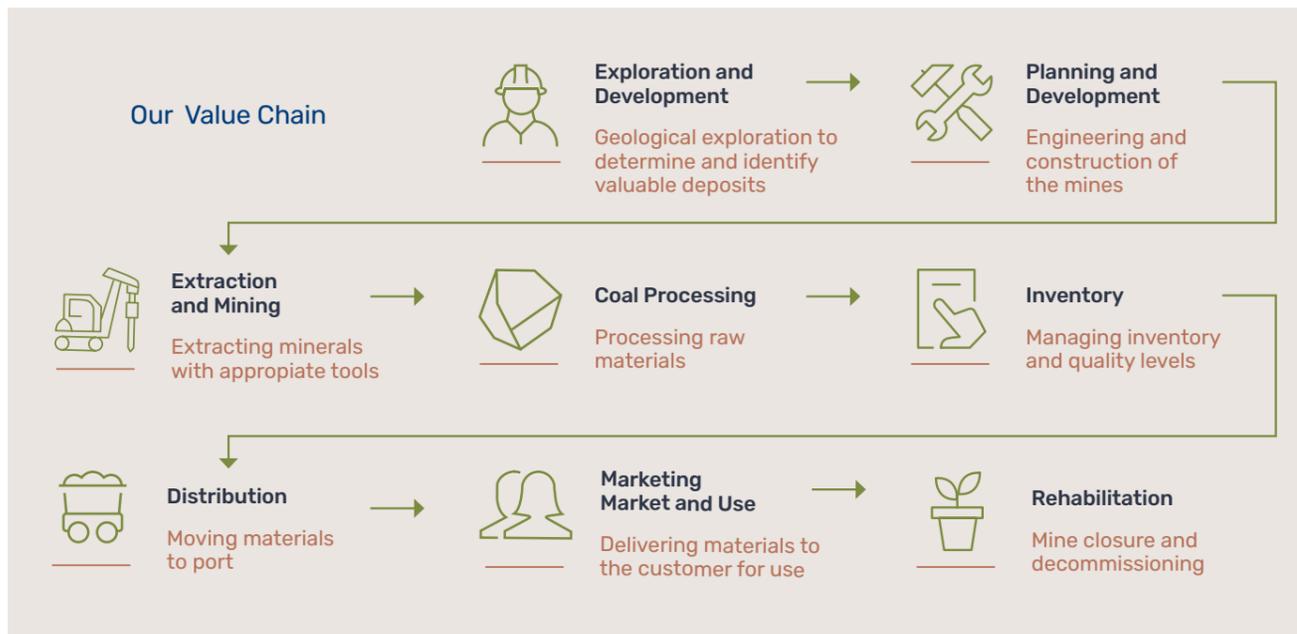
The acquisition included two operational mines, South Walker Creek and Poitrel, Red Mountain Infrastructure, and the Wards Well and other exploration projects.

The figures in this report (where available) reflect the increase in the scale and production capacity of our operations as a result of the acquisition, and therefore may be significantly different from last year.

3.4 Our Value Chain

At Stanmore, we acknowledge that enhancing the performance of our mine-to-market value chain can be a major source of value to our company and stakeholders.

Our value chain is the backbone of our business and it is important we manage it effectively.

Our Value Chain

Exploration and Development
Geological exploration to determine and identify valuable deposits

Planning and Development
Engineering and construction of the mines

Extraction and Mining
Extracting minerals with appropiate tools

Coal Processing
Processing raw materials

Inventory
Managing inventory and quality levels

Distribution
Moving materials to port

Marketing Market and Use
Delivering materials to the customer for use

Rehabilitation
Mine closure and decommissioning

3.5 Financial and Operational Performance

The successful integration of Stanmore's newly acquired mines and a strong operational performance across our business underpinned a record financial performance for the year.

Stanmore benefited from the continued resurgence in metallurgical coal demand and pricing, and the business performed well in light of headwinds from inflationary pressures, supply chain disruptions and unprecedented wet weather events.

Financial performance

In the twelve months to 31 December 2022, revenue from operations totalled US$2,695.8 million, an increase of 851.57% on the previous year. Gross profit was US$874.8 million compared with US$16.1 million in 2021. Underlying Earnings before Interest, Tax, Depreciation and Amortisation was US$1,456 million, against the 2021 result of US$34.3 million.

The average realised price from coal sales increased by US$159/tonne to US$290/tonne. Stanmore reported Net Profit After Tax (NPAT) of $727.4 million, compared to $6.8 million for the previous year.

Operational performance

2022 saw the company achieve a record for run of mine (**ROM**) coal production of 13.5 Mt, driven by strong performance at the Poitrel, South Walker Creek, Isaac Plains and Isaac Downs mines. We reported saleable production of 9.2 Mt. All sites ended the year with healthy levels of product and ROM stockpiles to support performance in 2023.

Further details of our 2022 financial and operating performance are available in the Stanmore Annual Report.

Financial and Operational Highlights

US$ 2,695.8m
Total Revenue

US$ 1,456m
Underlying EBITDA

$727.4m
Net Profit

9.2 Mt
Saleable Coal Production
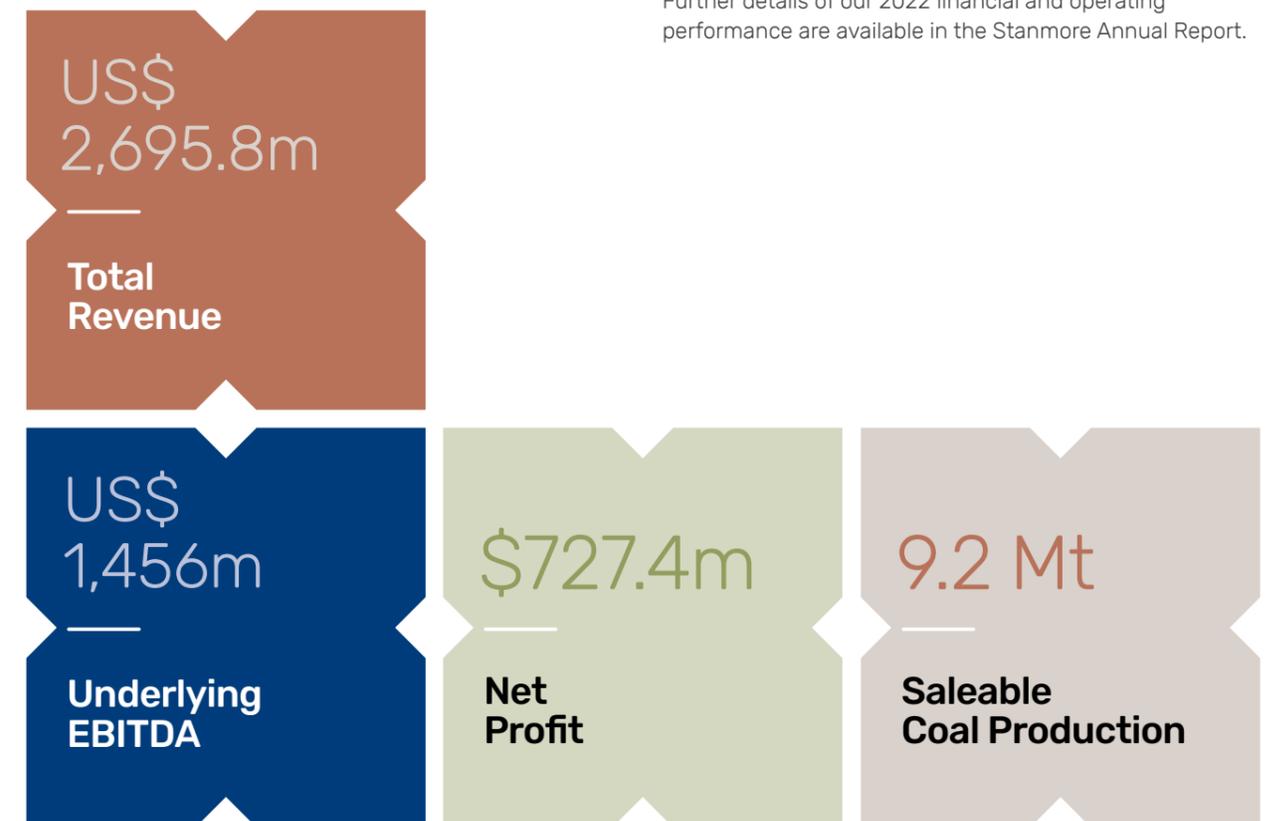
4. Our Sustainability Journey

4.1 A Message from the Chair of the Sustainability Committee

This past year has been one of great transformation and progress for our organisation and the industry. Aside from a record demand for high-quality metallurgical coal and the integration of our newly acquired mines, we have seen a continued increase in demand from stakeholders to understand our sustainability impacts and the actions we are taking to manage them effectively.

We are proud to report significant progress on our sustainability journey since the release of our first Sustainability Report in 2022, with our sustainability initiatives gaining momentum.

Our first materiality assessment was critical in providing focus for our sustainability efforts. Through detailed consultation with internal and external stakeholders, we developed a deeper and clearer understanding of the areas of our operations that are of greatest importance to and have the greatest impact on our stakeholders, and this helped us to define our seven sustainability themes:

- Decarbonisation
- Responsible water and waste management
- Sustainable land management and rehabilitation
- Health, safety and wellbeing
- Working with and supporting our communities
- Workforce development and inclusion
- Governance.

Our Sustainability Objectives and Actions align to our sustainability themes and global industry standards and are key indicators that will be used to manage and track progress towards our vision and mission.

To expand management capability and drive the integration of sustainability within our business, we added three new sustainability roles: General Manager Growth and Sustainability; Manager – Sustainability and Approvals; and Sustainability Specialist. We also developed a Sustainability Communication and Awareness Program to engage our people and external stakeholders in our sustainability journey and drive continuous improvement.

Our newly established Sustainability Committee — a subcommittee of the Board — elevates our focus on sustainability and ensures initiatives are being implemented in line with our business goals and values, and that we are meeting all our compliance requirements.

We have undertaken a Marginal Abatement Cost Curve (**MACC**) assessment at two of our mines to measure and verify the energy usage and emissions from mining at these sites and identify emissions reductions opportunities, as well as energy efficiency, energy productivity and renewable energy opportunities. These sites are both Safeguard Mechanism facilities and contribute to the highest portion of our emissions profile. We have also reviewed our water management strategies and established an Efficient Water Vision, which recognises our responsibility for efficient use of resources across our operations and the protection of the environment in which we operate.

We continue to progress our Reconciliation Action Plan (**RAP**), which is in the process of being accredited, and we have invited representatives from Barada Barna Aboriginal Corporation (**BBAC**) and Gangali Narra Widi Aboriginal Corporation (**GNWAC**) to participate on our working committee. In addition, we defined our Corporate Social Responsibility (**CSR**) Spend Pillars to guide our philanthropic activities and community contributions, which totalled to more than $230,000 in grants and sponsorships during the year.

These activities, and the other progress detailed in this report, demonstrate our commitment to the sustainable development of our organisation, our communities and our environment. We believe sustainable development is not only the right thing to do, but it is also essential for the long-term success of our company. We are committed to transparency and accountability, and we will continue to report on our progress in this area.

Our sustainability journey is an ongoing process and we are constantly working to improve our practices and performance. We are proud of the progress we have made so far, but we know there is still more work to be done. We look forward to sharing our progress with you in this Sustainability Report.

Caroline Chan

Caroline Chan
Chair, Sustainability Committee

> **With our established sustainability pathway in place,** our sustainability initiatives are gaining momentum.

4.2 Key Sustainability Milestones in 2022

Stanmore's approach to sustainability continued to mature with the achievement of several important milestones.

A milestone of note was the establishment of a Sustainability Committee, as a subcommittee of the Board, with responsibility for overseeing Stanmore's impacts on the economy, environment and people and ensuring the sustainability pathway is in line with our business goals and values. The Committee is comprised of one independent, non-executive Director, Stanmore's Executive Director and CEO, and the Chairperson of Stanmore's Board. The Committee assesses our compliance with relevant laws, regulations and sustainability frameworks, and makes recommendations for improvements or changes as necessary.

Establishing the Committee reflects our commitment to embedding sustainability into our operations and moving beyond compliance.

In support of the governance structure framing our sustainability pathway, Stanmore maintains site-specific Environmental Management Systems. Safety and Health Management Systems are also in place for all sites. These systems outline specific environmental and safety commitments, the tools we use to manage and comply with our obligations, and how we aim to continuously improve on our performance. In 2022, work commenced to review and update the procedures in these systems, with the aim of developing integrated and fit-for-purpose system documentation and processes. This work will be ongoing in 2023.

Additional key milestones are outlined in the diagram below.

4.3 Stanmore Green

We established Stanmore Green in 2021 to identify and deliver projects that complement our existing operations and that have a focus on energy transition and sustainable development.

In 2022, we laid out the vision for Stanmore Green, defining focus areas and developing an investment strategy, which has prepared this business for project implementation in 2023 and onwards. The strategy was endorsed by the Sustainability Committee.

It is intended that Stanmore Green is an integrated business that can leverage our broader assets and capabilities, whilst continuing as a standalone commercial entity. The completion of the SMC transaction brings about a much broader range of opportunities for Stanmore Green to realise in the near term.

Stanmore Green is currently investigating options to capture coal seam methane with a view to producing electricity on the mine site, converting the fuel source for some mining equipment to use the captured gas, or even exporting the gas off tenement. Renewable energy options such as onsite solar and carbon offset projects on Stanmore's agricultural land are also being pursued, with decisions on whether to proceed expected during 2023.

In addition to the projects under consideration, construction commenced on Stanmore Green's collaboration with SOURCE Water to produce drinking water from hydropanels at Isaac Plains. Commissioning of the first panels to extract water from the atmosphere and replace the need to import potable water from Moranbah to the site is expected during Q2 2023.

We also made the decision to replace the blast oil in our explosives at Poitrel and South Walker Creek with waste oil that is treated onsite. In addition to the cost savings, we estimate that over 1 million litres of blast oil can be substituted each year with waste oil, which would otherwise be disposed of offsite.

Stanmore Sustainability Roadmap Milestones

MARCH 2022 >	JULY 2022 >	JULY 2022 >	AUGUST 2022 >
Stanmore Sustainability Report published and released to shareholders	Stanmore Sustainability Pathway implementation	Stanmore Sustainability Committee and Committee Charter developed	External Stakeholder Needs and Expectations assessment

NOVEMBER 2022 >	NOVEMBER 2022 >	NOVEMBER 2022 >	DECEMBER 2022 >
Poitrel and South Walker Creek energy and emissions site ideation workshop	Stanmore environmental and social data analytics exercise undertaken	Material matters finalised and proposed to Stanmore Sustainability Committee for approval	ESG Risk Assessment

SEPTEMBER 2022 >	OCTOBER 2022 >	OCTOBER 2022 >
Internal stakeholder ESG and material topics survey	Poitrel and South Walker Creek energy and emissions baseline assessment	Sustainability Objectives and Actions benchmarking exercise

DECEMBER 2022 >	DECEMBER 2022 >	JANUARY 2023
Poitrel and South Walker Creek energy and emissions — Marginal Abatement Cost Curve modelling	Development of Stanmore Sustainability Objectives and Actions	Sustainability Report compilation

4.4 Our Material Topics

In 2022, we completed a materiality assessment to establish our material topics. We then prioritised these topics based on the most significant impact to our stakeholders, performance, progress and sustainable development.

Our vision is to enhance stakeholder value by achieving our sustainable development goals.

We take our responsibility for addressing any potential or actual negative impacts on our stakeholders seriously. We also recognise stakeholders' increasing demand for transparent and accurate sustainability and ESG reporting, and we are dedicated to fulfilling our commitments to maintain our social licence to operate.

Our key stakeholders include our shareholders, customers, employees, local communities, governments, suppliers, financiers, regulators, First Nations communities and insurers.

Our materiality process used the *GRI 12: Coal Sector Standard* to determine Stanmore's likely material topics, also taking into consideration Stanmore's business objectives and operations — individually and as part of the wider resources sector in Australia and internationally. We then worked to refine and validate our material topics by:

- Consulting with internal and external stakeholders
- Benchmarking against industry and like organisations
- Conducting employee surveys
- Consulting with the Board and Sustainability Committee for input and approval.

Through these activities, we assessed stakeholder expectations and needs, and the significance of potential impacts on our operations, economy, environment and people.

As the operating landscape and the expectations and needs of our stakeholders change, we will actively review our material topics to ensure our sustainability approach is fit-for-purpose and creates value for all.

We have categorised our material topics into seven key sustainability themes. We have also established sustainability Objectives (aspirational business goals which set our direction) and milestone Actions aligned to these themes to demonstrate our commitment to sustainable development and to measure our performance and progress.

ENVIRONMENT

Decarbonisation
- Greenhouse Gas Emissions
- Climate Adaptation, Resilience and Transition

Responsible Water and Waste Management
- Water Management
- Waste Management

Sustainable Land Management and Rehabilitation
- Closure and Rehabilitation
- Ecological Impacts
- Biodiversity Impacts

SOCIAL

Health, Safety and Wellbeing
- Health and Safety
- Critical Incident Risk Management

Working With and Supporting Our Communities
- Economic Impacts
- Human Rights and Community Relations
- Local Communities
- Rights of Indigenous People

Workforce Development and Inclusion
- Employment Practices

GOVERNANCE

Governance
- Management of Legal and Regulatory Framework
- Forced Labour and Modern Slavery
- Systematic Enterprise-Wide Risk Management

Decarbonisation **and Emissions**

We recognise the importance of decarbonisation and are prioritising an holistic approach to emissions and climate.

The extractive industry plays a significant role in global greenhouse gas (GHG) emissions. We are committed to taking action to reduce our emissions intensity and support the transition to a low-carbon economy to minimise the effects of climate change.

Fugitive emissions released through the process of open-cut coal mining and the energy consumed by our operations and mining activities creates GHG emissions that we measure and actively manage to reduce our total emissions footprint. Managing impacts of our operations to air quality, in accordance with obligations under our site Environmental Authorities, is also an important element of our business.

Material Topics and Related UN SDGs

CLIMATE ADAPTATION, RESILIENCE AND TRANSITION

| 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION |

GREENHOUSE GAS EMISSIONS

| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER |

Objectives

We aspire to:
- Reduce greenhouse gas emissions taking consideration of economic and technical factors.
- Optimise the use of alternative lower carbon emissions fuels.
- Increase use of renewable energy options/opportunities across the business.

Actions

1. Develop a group decarbonisation plan and implementation plan by the end of 2024, to facilitate measurable reduction in emissions intensity of Scope 1 and 2 emissions.
2. Report with reference to the Taskforce on Climate-Related Disclosures (**TCFD**) Recommendations by end of 2023.

> **We are committed to taking action to reduce our emissions** and support the transition to a low-carbon economy.

5.1 Climate Adaptation, Resilience and Transition

We recognise the importance of climate adaptation, resilience and transition and have set clear Objectives and Actions related to decarbonising our operations.

Climate-Related Risk and Opportunities

Due to the nature of our operations, we are exposed to a range of physical and transitional climate-related risks that have the potential to impact our assets, production and markets where our product is sold. We have commenced integrating the identification of climate-related risks (and opportunities), including both physical (acute and chronic) and transitional risks, into our enterprise-wide risk management processes. We are also working towards evaluating and assessing risk exposure of our businesses and the broader sector because of these risks.

Physical Risks

Potential physical climate-related risks include event-driven risks such as natural disasters, cyclones, fires and floods, as well as chronic risks caused by longer-term shifts in climate patterns such as sustained changes in temperature. Such risks could impact our operations through damage to infrastructure and mines from extreme weather events such as floods or cyclones, as well as water scarcity caused by drought. These risks could result in decreased production and revenue for the company, as well as increased costs for repairs and mitigation measures.

Transition Risks

Potential transition climate-related risks include financial and strategic risks for Stanmore arising from policy, legal, technology and market risks associated with the transition to the lower-carbon economy.

We also understand that strategic opportunities can arise in efforts to mitigate and adapt to climate change. Both risks and opportunities were incorporated into our 2022 strategic planning process.

In 2022, we commissioned an independent energy assessment (based on Australian Standards AS/NZS 3598:2014) at South Walker Creek and Poitrel, as these are both Safeguard Mechanism facilities and carry the highest portion of emissions across our portfolio. The purpose of the assessment was to accurately measure and verify energy usage at these sites and identify energy efficiency, energy productivity and renewable energy opportunities, applying a Marginal Abatement Cost Curve (**MACC**) methodology.

The results have informed our Objectives and Actions for decarbonisation, as we gained a better understanding of our Scope 1 (fuel and fugitive emissions) and Scope 2 (electricity) emissions baseline and the composition of emissions by source (as shown in graphs on the adjacent page). Progressing selected initiatives to reduce Scope 1 and 2 emissions at South Walker Creek and Poitrel will be a focus for 2023. We will progress the same work at our other operational sites — Isaac Plains and Isaac Downs.

By 2023, we will develop a Decarbonisation Plan and Implementation Framework that will help achieve a measurable reduction in Scope 1 and 2 emissions. We will measure our progress against a baseline from 2022.

We aim to further develop and mature our processes surrounding the integration of climate-related risks and opportunities in line with the TCFD Framework, with a target to report with reference to the TCFD recommendations by the end of 2023.

Dragline 27 at South Walker Creek mine
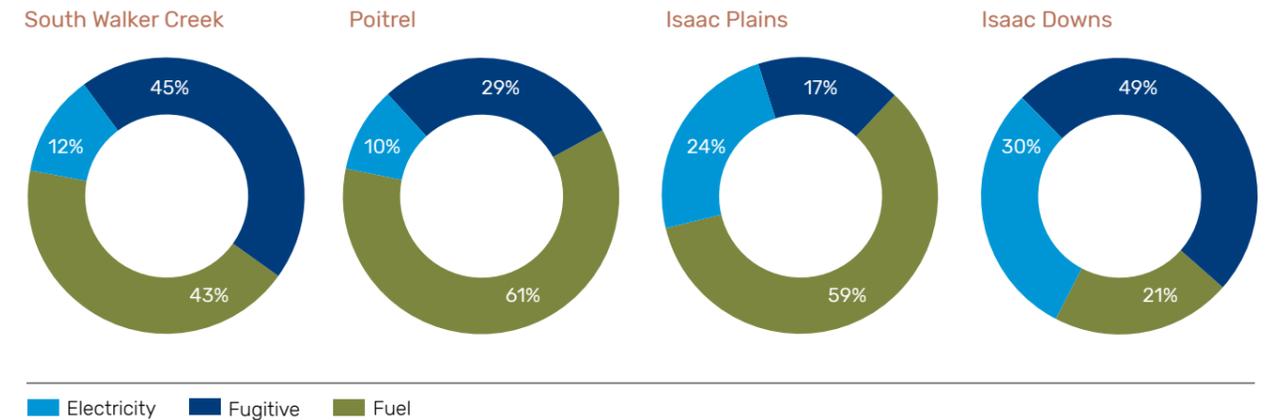
5.2 Energy Consumption and Greenhouse Gas Emissions

GHG emissions are a critical issue to manage in the mining and resources industries, as the extraction, processing and consumption of natural resources is an emissions intensive process.

Our operations produce metallurgical coal for use in steelmaking. Our primary sources of direct (Scope 1) GHG emissions are the consumption of diesel fuel and fugitive emissions generated from open-cut mines. Other less significant direct emission sources include industrial processes, transport and travel. Indirect (Scope 2) GHG emissions are generated from electricity to power our activities.

In addition to MACC assessment work, Stanmore continued to identify opportunities for energy efficiencies at our operations. One project involves converting power supply from AC to DC for Dragline 27, which will result in more efficient and safe power supply and lower emissions. Initial estimates of emissions reduction from this project are estimated at 4,500t of CO_2-e per year. This project was successfully registered under the Emissions Reduction Fund (ERF) under section 27 of the *Carbon Credit (Carbon Farming Initiative) Act 2011*.

We have obligations to report GHG emissions annually under *National Greenhouse and Energy Reporting (NGER) Act 2007 (Cth)*, which requires certain companies/large emitters to report their GHG emissions and energy consumption to the Australian Government and the general public. We use the methodology under the NGER Scheme to calculate our GHG emissions across our facilities. In addition, we also report emissions under the Australian Government's Safeguard Mechanism legislation for two of our newly acquired operations — South Walker Creek and Poitrel.

Relative mine emissions by type

South Walker Creek: 45% Fugitive, 12% Electricity, 43% Fuel
Poitrel: 29% Fugitive, 10% Electricity, 61% Fuel
Isaac Plains: 17% Fugitive, 24% Electricity, 59% Fuel
Isaac Downs: 49% Fugitive, 30% Electricity, 21% Fuel

■ Electricity ■ Fugitive ■ Fuel

Source: Emissions based on FY21-22 NGERS (National Greenhouse Reporting Scheme) estimates for each site

Data on the composition of Stanmore's total energy consumption, emissions and emissions intensity are set out in the table below.

The acquisition of assets in 2022 has significantly increased our production capacity and has led to a significant increase in our GHG emissions profile.

As a producer of metallurgical coal with a global supply chain and customers around the world, we recognise our role in contributing to global GHG emissions through our Scope 3 emissions. We are cognisant of emissions generated upstream and downstream of our operations, as a result of activities that are not owned or controlled by Stanmore, such as our suppliers and use of Stanmore products by our customers.

In line with Australia's NGER scheme, we do not currently report on our Scope 3 GHG emissions, as they are not a direct or indirect result of activities that occur at our facilities. This is also consistent with the United Nations Framework Convention on Climate Change (**UNFCCC**).

CASE STUDY — Energy Savers Award initiative

The concept of an Energy Savers Award was passed at the Sustainability Committee meeting held in September 2022. The award aims to promote awareness of sustainability and generate innovation at Stanmore to:

- Encourage ideas from the wider workforce around energy efficiency opportunities

- Consider carbon reduction activities and other carbon mitigation or abatement opportunities

- Generate thinking around carbon credit generation through Emissions Reduction Funding (ERF) schemes

- Improve waste management and circular economy benefits in our operations

- Consider how energy savings might apply to projects and day-to-day activities.

The Energy Savers Award includes a financial incentive and will be promoted across Stanmore in 2023.

Indicators	Unit	FY21	FY22
Production			
Total ROM Production	KT	2,768.00	9,681.00
Energy Consumption and Energy Intensity			
Total Energy Consumed – Liquid Fuels Combustion	GJ	652,087.00	4,544,365.00
Total Energy Consumed – Electricity & Liquid Fuels Non-Combustion	GJ	160,444.00	469,252.00
Energy Intensity	GJ/ROM t	0.29	0.52
Emissions and Emissions Intensity			
Total Scope 1 Emissions	tCO_2-e	104,018.00	582,483.00
Total Scope 2 Emissions	tCO_2-e	26,841.00	114,865.00
Total Emissions	tCO_2-e	130,859.00	697,348.00
Emissions Intensity	tCO_2-e/ROM t	0.05	0.07

(Scope 1 and 2 emissions, energy consumption, respective intensities and production are based on the Australian FY22 (1 July 2021 - 30 June 2022) NGER data for operational sites, as submitted to the CER).

5.3 Air Quality

We have dust mitigation strategies and programs in place to minimise our air quality impacts and address the potential impacts on the environment and our local communities.

Additionally, we pursue ongoing improvements to air quality through dust suppression techniques such as water sprays, water trucks on roads and coal stockpile management. These monitoring and mitigation measures are outlined in our Dust Management Plan for Isaac Plains and Isaac Downs, and our Air Emissions Management Plans for South Walker Creek and Poitrel.

Annual air quality data is provided in the table below.

		Upper Limit Threshold (Set by State Government)	Annual Average 2021	Annual Average 2022
Isaac Plains	Dust PM10 Instantaneous (ug/m³)	50	N/A	14.44
	Total Suspended Particles (ug/m³)	90	6.29	12.42
South Walker Creek	Dust PM10 Instantaneous (ug/m³)	50	N/A	9.44
Poitrel	Dust PM10 Instantaneous (ug/m³)	50	N/A	3.50

6. Responsible Water and Waste Management

We understand the importance of responsible water and waste management for sustaining our operations and protecting the environment.

We are committed to striking the balance between safeguarding our natural environment and resources and meeting our operational requirements.

Material Topics and Related UN SDGs

WATER MANAGEMENT

| 6 CLEAN WATER AND SANITATION | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND |

WASTE MANAGEMENT

| 3 GOOD HEALTH AND WELL-BEING | 6 CLEAN WATER AND SANITATION | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 15 LIFE ON LAND |

Objectives

We aspire to:
- Reduce our reliance on externally sourced water with a view to becoming self-reliant for production water requirements.
- Protect the environment from contaminated waters.
- Identify opportunities for waste reduction and material recovery.

Actions

1. Establish a water resilience strategy and action plan by the end of 2023, to match the aspiration of reducing our reliance on externally sourced water.
2. Zero significant incidents related to water management at operational sites.

> **Our approach to water and waste management** balances the needs of our operations and stakeholders with the protection of sensitive ecosystems.
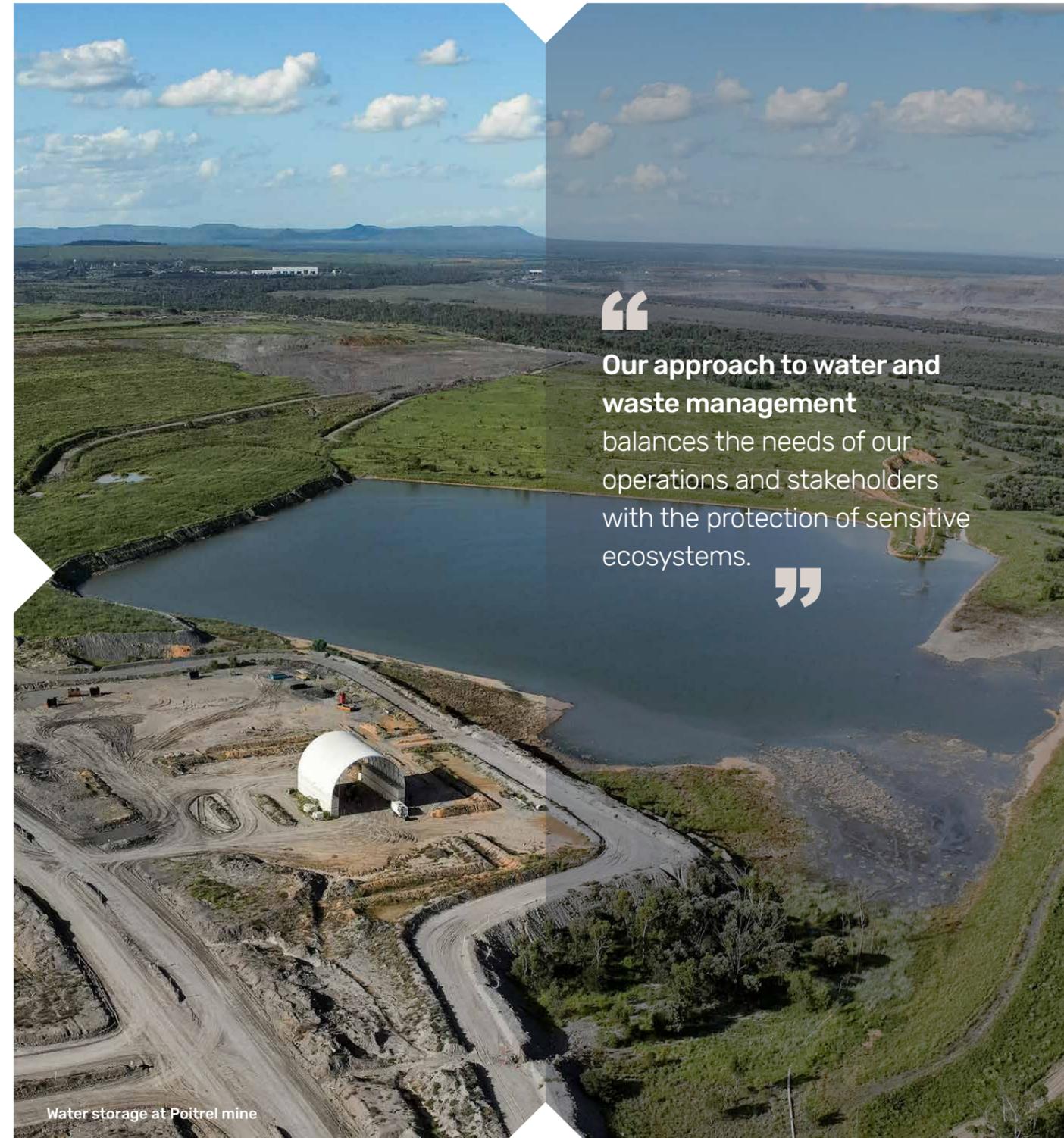
Water storage at Poitrel mine

6.1 Water Management

Water is essential for our local communities, ecosystems, agriculture and industry. As responsible stewards, we carefully manage water usage and quality to prevent overuse and contamination. This is not only critical for the wellbeing of local communities and the environment but is also essential for the smooth operation of our business.

Our operations depend on maintaining an appropriate water balance, and we are constantly working to adapt and improve water management in response to changing climatic and weather conditions, the needs of the business, and those who rely on our water. Striking a balance between having enough water storage capacity to manage wet seasons or flash flooding events and ensuring our mines have enough water for coal processing and dust suppression is an ongoing challenge. The water balances maintained at each site are reviewed and volumes tracked regularly, especially prior to and during the wet season.

Water Use and Withdrawal

Each of our operational sites has a Water Management Plan (**WMP**) that outlines the monitoring and measurement activities necessary to verify that water quality meets the requirements of the Environmental Authority (**EA**), aquatic ecosystems remain healthy, and waterways are safe. Our primary water withdrawal sources at our mine sites are outlined in the table below.

In 2022, we revised our water management strategies in response to the acquisition of new sites. The outcomes of this work, which included an operations water management assessment, will inform a Stanmore-wide Water Resilience Strategy and action plan, which will be actioned in 2023.

At Isaac Plains, we increased use of water from pit storage (dewatering). Water infrastructure installed in 2021 — including a water pipeline, plus automated pump and telemetry at the Coal Handling and Processing Plant (**CHPP**) — allowed the site to increase its use of mine-affected water in the wash plant, from approximately 200ML in 2021 to more than 700ML in 2022. To further support our objectives to reduce reliance on externally sourced water, we also constructed a new 5ML raw water dam at our Isaac Downs operations. This was established to enable capture and use of water from other sites.

Water Withdrawal Sources

Water Source	Purpose
Groundwater – Braeside Borefield	This is a Stanmore-owned borefield and is the source of raw water for South Walker Creek and Poitrel mines. It is also the primary source of water to the Coppabella township and Civeo's Coppabella camp. In addition, this borefield supplies water to some of our landholders, agistees and other properties as part of a commercial agreement.
Groundwater – Dewatered	Groundwater captured from the coal seam, through the process of pit dewatering, is captured ahead of mining and used by the sites for coal handling and processing activities, dust suppression purposes, and rehabilitation and revegetation. We also supply our agistees with water surplus to operational demand.
Third Party – Sunwater	Raw water for the Isaac Plains and Isaac Downs, inclusive of our mine sites and wash plant at this location, is sourced from Sunwater.
Third Party – Trucked Potable Water	Potable water for mine services and administrative areas (for use for drinking water, ablutions, etc.) is trucked into all operational sites.
Surface Water Captured in Ponds	Surface water run off captured via mine site stormwater systems and ponds, is used for coal handling and processing activities, dust suppression purposes, and rehabilitation and revegetation of closure areas, across all our operations.

Water Withdrawals

Water Withdrawal Source	Total (ML) 2021	Total (ML) 2022
Surface Water	217.50	710.00
Groundwater	–	1,329.10
Produced Water	–	–
Third-Party Water	629	706.53
Total	846.50	2,035.63
Water Consumption		**Total (ML)**
Total		2,715.93

Water Quality Management

All our operational sites are located within the Isaac River Catchment, which forms part of the Fitzroy River Basin. The quantity and quality of water discharged to Isaac River is monitored at localised ephemeral creek systems. The site-specific Water Management Plans guide the requirements for monitoring and measuring activities to ensure water quality meets regulatory requirements, and our impact to aquatic ecosystems is managed and controlled. Controls and monitoring requirements are site specific and include regular monitoring of receiving environment waters, and event sampling as per EA conditions. Additionally, some of our sites maintain telemetry systems located in-stream of local creek systems to assist in understanding the flows and water quality of these systems during flow events.
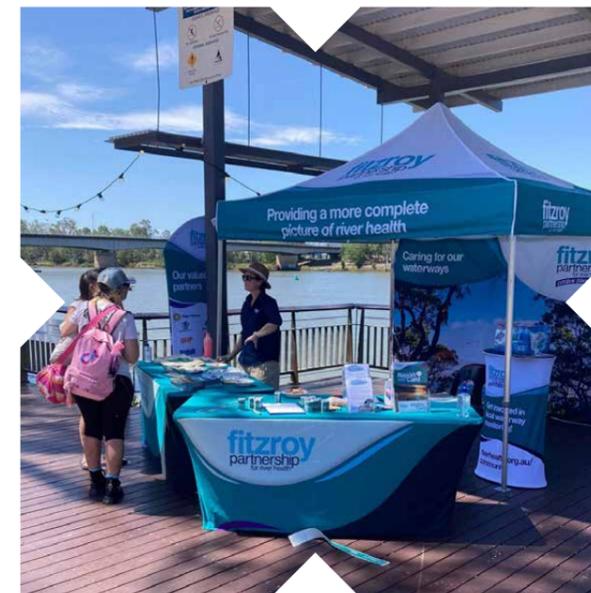
Fitzroy Partnership for River Health

Mine-affected water — which includes all run-off from open-pit mines, run of mine and product coal stockpiles, and from mining disturbance areas that have not been rehabilitated — is primarily collected and re-used on site. Flood protection structures such as levees are also in place, where appropriate, to decrease risk of pit flooding and prevent potentially contaminated waters from entering waterways. Run-off from vehicle washdown and workshop areas is treated by oil and grease separators before being re-used onsite or taken offsite for disposal at licensed facilities.

We engage with stakeholders regularly to address our water-related impacts through various channels, including:

- Ongoing membership of the working group for the Regional Receiving Environment Monitoring Program (**RREMP**) of the Fitzroy Partnership for River Health (**FPRH**). The FPRH brings together government, agriculture, industry, research, Traditional Owners and community to collaborate and address environmental issues. In 2022, we continued our funding contribution (approximately $125,000) and active participation in the FPRH. Each year, the partnership publishes the *Ecosystem Health Index* Report, which assesses and reports the health of the 11 freshwater catchments of the Fitzroy Basin.

- Periodically submitting Water Tracking and Electronic Reporting System (**WaTERS**) data to the Department of Environment and Science (**DES**) on the quality and quantity of water released into the environment by our mine sites.

- Engaging with landholders, third-party water providers and agistees to balance water impacts on stakeholders in line with operational requirements.

In 2022, there was one recorded discharge from the South Walker Creek site that coincided with a significant rainfall event in the region and very high flow events (>121m³/s) in the local catchments into which the discharge occurred. In accordance with the site EA conditions, sampling and monitoring was conducted during the event and data provided to the state regulator, DES, via the WaTERS portal. Water quality data related to this release was submitted to the WaTERS database, and it was determined that the release was compliant with the conditions of the Environmental Authority at South Walker Creek, with no further investigation required.

Water discharge volumes across our operations totalled 29.7ML.

The table below provides details of the enforcement notices recorded for Stanmore during 2022, as well as the corrective action undertaken in response.

Given the nature of our mining operations, we also monitor any potential impacts on groundwater quality and levels via a series of groundwater monitoring wells situated on our mining leases. These are monitored in accordance with our EA conditions. In addition, we have also implemented a Groundwater Dependent Ecosystem (**GDE**) Monitoring Program and Plan at the Isaac Plains mine, to monitor potential impact of the operations to native vegetation remnant ecosystems. This program is in place to help us meet the requirements of the two Commonwealth approvals associated with Isaac Plains mine and Isaac Downs mine, and currently show that the mining operations are not having an impact on these GDEs.

Water storage at South Walker Creek mine

6.2 Waste Management

At Stanmore, we are dedicated to managing our waste effectively and reducing waste production whenever possible.

To achieve this, we have a waste management hierarchy at all our operational sites that outlines the processes and practices we use to minimise and manage waste. Our hierarchy prioritises waste avoidance as the first objective, followed by waste reuse, waste recycling, energy recovery from waste and waste disposal as a last resort.

We have developed waste management planning documentation for all our operational sites, in line with their respective EA requirements. Our waste management plans identify the types of waste generated and the significant waste-related impacts that may arise from our coal production activities, including:

- Proper segregation of wastes, particularly regulated waste
- Offsite transportation by a licenced contractor and disposal at licenced facilities
- Onsite re-processing of any wastes
- Maintenance of records related to waste management, particularly waste transport certificates for regulated wastes.

The plans also describe how these impacts are managed, mitigated and controlled through disposal requirements in accordance with the EA conditions.

Responsible waste management starts within our sites, with colour-coded waste receptacles used wherever possible to ensure waste is segregated and stored correctly for disposal or recycling. Waste management systems are communicated to our staff, contractors and visitors during site inductions.

Our waste generated and directed to disposal is outlined in the table below.

Tailings management

Tailings are a waste by-product from the coal mining process that require specific storage and management practices, in accordance with legislative requirements and our Mine Waste Management Plans and Tailings Management Plans.

Effective management of tailings helps us ensure mine production stability, and reduce the risk of large, geotechnically unstable tailings dams forming. Our tailings management processes are designed in line with our EAs at each site. Our tailings dams and cells are subjected to planning, maintenance and assessment, to mitigate the likelihood and impact of a failure of any of our critical infrastructure.

The collection and collation of consistent tailings data across all sites has been a focus for our expanded business during 2022 following our acquisition of SMC. This will enable the reporting of complete tailings data in 2023.

Enforcement Notice Date	Enforcement Type	Short Description	Corrective Actions Undertaken
3 February 2022	Penalty Infringement Notice (PIN)	Mine-affected water bypassed erosion and sediment control structures following a wet weather event at Isaac Downs mine	– Improved sediment control measures – Rehabilitated affected areas – Updated site sediment control plan and associated documentation
3 February 2022	Penalty Infringement Notice (PIN)	Mine-affected water release due to dam failure at Isaac Downs mine	– Decommissioned and rehabilitated dam – Improved sediment control measures – Updated site sediment control plan and associated documentation
10 March 2022	Environmental Protection Order (EPO)	EPO issued in response to PINs x 2 received on 3 Feb 2022. The EPO centred on improving sediment control measures at Isaac Downs mine	– Addressed all items identified in the EPO notice as per notice requirements – Provided close out report to DES in November 2022 detailing all corrective actions undertaken

Waste Generated	Total	Unit
Regulated Waste		
Bulk Oil	2,128.03	Kilolitre
Oily Water	243.50	Kilolitre
Other Regulated Waste (grease, waste oil, chemicals, oil filters, batteries etc)	907.14	Tonnes
Recycled Waste		
Recycled Waste	121.05	Tonnes
General Waste		
General Waste	2,171.18	Tonnes
Contaminated Liquid Waste		
Septic Tank Waste	573.75	Kilolitre
Process Wastes		
Overburden	132,773,895.00	bcm

7. Sustainable Land Management and Rehabilitation

With more than 85,000 hectares of land under management, we recognise the importance of responsible land use and the protection of the environment on and around these lands.

We recognise the importance of managing the impacts of our mining activities on the land and ecology of our sites to ensure the safety, productivity and sustainability of the land during and after mining use.

Material Topics and Related UN SDGs

BIODIVERSITY IMPACTS
ECOLOGICAL IMPACTS

6 CLEAN WATER AND SANITATION | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND

CLOSURE AND REHABILITATION

8 DECENT WORK AND ECONOMIC GROWTH | 15 LIFE ON LAND

Objectives

We aspire to:
- Return mine-disturbed land to sustainable final land use, working with key stakeholders to establish final land use objectives.
- Accelerate progressive rehabilitation relative to Progressive Rehabilitation and Closure Plan (**PRCP**) commitments, where operational opportunities allow.

Actions

1. Put in place PRCPs for all operational sites by 2024.
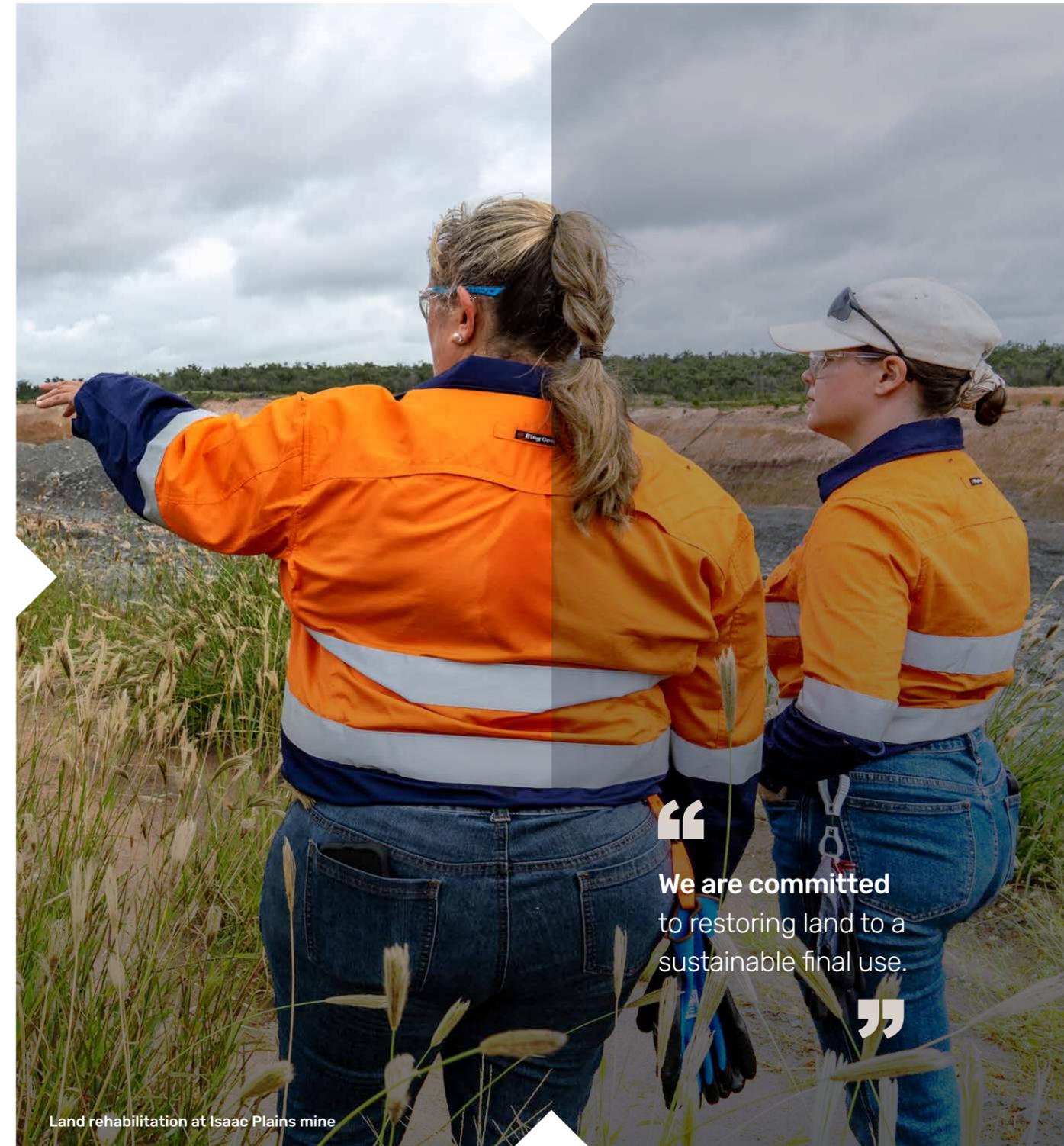
> **We are committed** to restoring land to a sustainable final use.

Land rehabilitation at Isaac Plains mine

7.1 Biodiversity

At Stanmore, we recognise the valuable role of biodiversity in human health, economic prosperity, food security, and climate change mitigation and adaptation. We know large-scale infrastructure development can significantly impact the biodiversity and ecology of the areas in which we operate.

Our goal is to restore disturbed land to a sustainable final land use and work with stakeholders to minimise the long-term impacts of our operations on the bioregions within which we work.

To comply with relevant Commonwealth and State legislation, we conduct ecological investigations across our operations. Where these investigations identify potential impacts to Matters of National Enviornmental Significance (MNES) we obtain and maintain Commonwealth-level approvals (under the *Environmental Protection and Biodiversity Conservation Act 1999*) and also State-level approvals (under the *Environmental Protection Act 1994*). The outcomes of these approvals include securing, and managing over time, land locations outside of the mining lease to compensate for the unavoidable impacts at our operational sites on significant environmental matters, such as valuable species and ecosystems.

In total, we manage approximately 3,000 hectares of properties used for biodiversity offsets and which contain habitat that support the following nationally listed threatened species: greater glider, koala, ornamental snake and squatter pigeon. Management of these properties is important to ensuring we meet requirements against our Offset Management Plans (**OMP**), and in ensuring our actions — such as pest and weed management, restricting unauthorised land access and fire management — are implemented in conjunction with landholders. These programs are managed by Stanmore's' Land Access Coordinator.
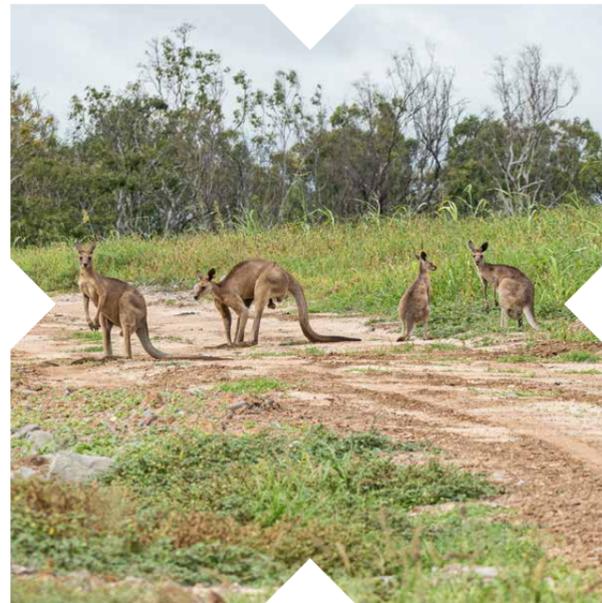
Native wildlife at Isaac Plains mine

In 2022, Stanmore continued our ongoing commitment to the following biodiversity programs:

- Central Queensland University (**CQU**) studies on Koala Health — We have provided $30,000 over 3 years to award a PhD scholar with a three-year Elevate Scholarship to complete a research project on the health of koalas in Central Queensland. The scholarship is awarded in partnership with the CQU, in collaboration with Earthtrade and the Fitzroy Basin Association.
- Fauna Rescue Whitsundays partnership — We continued to provide direct funding to our three-year partnership with Fauna Rescue Whitsundays, a non-profit, voluntary group dedicated to the rescue, rehabilitation and release of sick, injured and orphaned native wildlife.
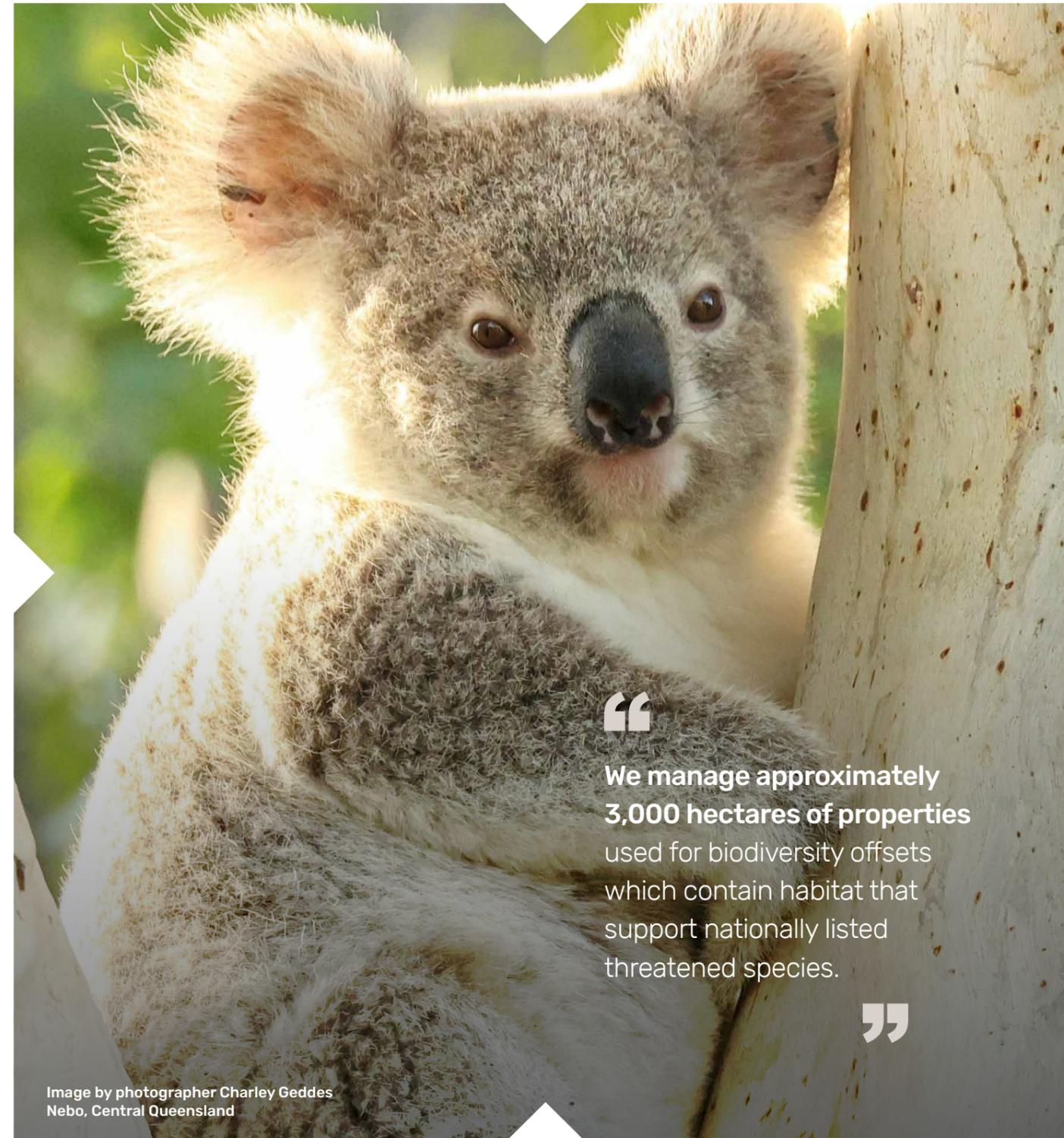
"
We manage approximately 3,000 hectares of properties used for biodiversity offsets which contain habitat that support nationally listed threatened species.
"

Image by photographer Charley Geddes Nebo, Central Queensland

7.2 Sustainable Land Use, Land Rehabilitation Management and Mine Closure

Our approach to progressive rehabilitation is designed to minimise the long-term environmental impacts of our activities after mining has ceased. We work proactively with our key stakeholders to ensure the land is restored to a safe and suitable condition for its intended use after mining.

The rehabilitation process is embedded within the mine planning process, including short, medium and life-of-mine planning. All our operational sites are required to develop, implement and maintain PRCPs, which are approved by the Department of Environment and Science (**DES**). These plans are developed in consultation with key stakeholders including but not limited to landholders, Traditional Owners, council and local community, and outline rehabilitation objectives, methods, monitoring and completion criteria.

During the operational phase of each mine, we take steps to progressively rehabilitate decommissioned mining areas, controlling dust and erosion, managing wastewater and monitoring the health of the surrounding ecosystem.

When the mine reaches the end of its operational life, we decommission and close the site in accordance with the site's PRCP.

Decommissioning involves removing any remaining infrastructure and equipment, stabilising the land, and revegetating the area. Our rehabilitation criteria involves blending landscape features with the natural landscape to improve habitat connectivity and achieve positive ecological outcomes.

Rehabilitation monitoring is conducted on a routine basis and helps to provide feedback on how our rehabilitation areas are progressing towards long-term sustainability, and where we can adapt our rehabilitation methodology and processes where recommended to achieve the best possible outcomes.

CASE STUDY
Central Queensland Mining Rehabilitation Group (CQMRG) Workshop

In October 2022, Stanmore hosted a workshop for 65 members of the Central Queensland Mining Rehabilitation Group (**CQMRG**) in Moranbah, on behalf of South Walker Creek mine. The theme of the workshop was 'Partnerships and Collaborations', which emphasised how mine planning and rehabilitation could be successfully achieved through maintaining strong partnerships and ongoing collaboration with our key stakeholders, including the local community, regulators, landholders and Traditional Owners.

As the Traditional Custodians of the land on which Moranbah stands, representatives from Barada Barna opened the workshop with a Welcome to Country. Attendees included representatives from DES and the Office of the Queensland Mine Rehabilitation Commissioner who gave updates on their respective activities. The CEO of Isaac Regional Council, Jeff Stewart-Harris PSM, shared his perspectives on sustainability for the Council and sparked a conversation about sustainable communities and Council's goals and objectives. The workshop also included a presentation by the Stanmore Green Business Manager on the company's sustainability practices and potential decarbonisation projects, and a discussion led by the Land Access Manager on building relationships.

In 2022, our total land rehabilitated at Isaac Plains mine increased from 45 hectares to 261 hectares, as set out in the adjacent table. We have plans to progress rehabilitation at our new South Walker Creek and Poitrel sites from 2023.

Though none of our mines are approaching closure within the next five years, we aim to have PRCPs in place for all operational sites by 2024, to guide progressive rehabilitation as mining operations are underway and completed. Stanmore engages with our stakeholders on matters related to closure and post-mining closure planning and implementation.

Site	Total Land Rehabilitated (ha)	
	2021	**2022**
Isaac Plains	45.00	261.00
South Walker Creek	N/A	0.00
Poitrel	N/A	9.35
Total	**45.00**	**270.35**

CASE STUDY
Isaac Plains Mine Rehabilitation

Sustainable land use and rehabilitation management is a key sustainability pillar at Stanmore, with progressive rehabilitation plans forming an integral part of our annual budgeting processes. Our ambition is to enable a transition from a mining land use to the next sustainable land use, thereby supporting the relinquishment of our mining leases.

In 2022, the Isaac Plains mine carried out 261 hectares of rehabilitation, which included recontouring and seeding of mine waste dumps, as well as seeding and rehabilitation of ancillary areas such as roads and pads. The proposed ecological and rehabilitation outcome for Isaac Plains mine at the current time is grazing. This is in line with the Environmental Authority (**EA**), the recently submitted PRCP and the landholder agreement. The rehabilitation undertaken to-date represents a significant step towards achieving our goal to ultimately relinquish the land back to the landholder post-mining.

Isaac Plains mine prior to rehabilitation (July 2022)

Rehabilitated land at Isaac Plains mine (January 2023)

8. Health, Safety **and Wellbeing**

Our people are the core of our organisation and the driving force behind our success.

We are dedicated to maintaining the highest standards of health and safety across our operations, and we have implemented safety measures and wellbeing initiatives to maintain our industry leading performance. We aim to foster a culture of safety that extends far beyond compliance, where everyone returns home safe, healthy and fulfilled.

Material Topics and Related UN SDGs

HEALTH AND SAFETY

| 3 GOOD HEALTH AND WELL-BEING | 8 DECENT WORK AND ECONOMIC GROWTH |

CRITICAL INCIDENT RISK MANAGEMENT

| 3 GOOD HEALTH AND WELL-BEING |

Objectives

We aspire to:
- Proactive hazard identification and risk management.
- Provide fatigue management initiatives, strengthen employee training and increase awareness of Workplace Health and Safety (**WHS**) risks.

Actions

1. Establish annual safety and health targets as part of business planning metrics and include these in the Stanmore short term incentive program.

> **We are dedicated to maintaining** the highest standards of health and safety across our operations.

8.1 Workplace Health and Safety

Health and Safety is a core value of our company. It is fundamental to our success as a business and deeply embedded in our culture, driven by safety leadership and engagement with our people.

We recognise our operations have the potential to expose our employees to health and safety risks and hazards, and we must ensure adequate control measures are in place to mitigate risks and remove hazards.

Our positive safety culture has been strengthened since the integration of the acquired assets, with learnings integrated and shared across the business. There has been a strong focus on the quality of leading indicators as well as investigations and corrective actions to prevent reoccurrences.

In 2022, we performed extremely well and exceeded targets on our key leading indicators of field leadership interactions, hazard identification and critical control verifications completion compliance.

We also:

- Completed a comprehensive review of Principal Hazard Management Plans (**PHMP**) across all sites, and implementation of a Verification Compliance Program
- Initiated Safety and Health Management System (**SHMS**) compliance audits across our newly acquired sites
- Updated and simplified our Injury Management, and Hazard, Incident and Investigation processes, such that they are fit for purpose.

It is important to note the incident figures in the table below are reflective of Stanmore's increased workforce in 2022 following the acquisition of SMC.

The ongoing focus on safety leadership and engaging with our people, contractors and local communities, supports a culture that strives to meet our goal of everybody returning home each day, safe and healthy. In pursuit of this, in 2022 we welcomed Brett Garland, an acknowledged industry expert in health and safety, to the Stanmore Board.

Our teams participate in training programs that ensure our awareness of our health and safety culture remains at the forefront of our operations. This includes the promotion of a range of safety initiatives to drive better safety performance.

We have a Health and Safety Committee whose purpose is to oversee and assess health and safety performance and compliance. Our Health and Safety Management Plan outlines the standards, guidelines and supporting tools to reach our safety targets. Our SHMS applies to all employees (including workers who are not employees) at all mine sites. The Site Senior Executive (**SSE**) is responsible for ensuring adherence to the SHMS at each of the active mine sites. There is also a nominated SSE for the other mining projects with exploration activities.

Our SHMS aims to comprehensively report, categorise, communicate and investigate hazards and incidents that have resulted in or have the potential to result in unintended consequences to our people.


> It is fantastic to see the impact of our focus in our leading indicators has led to a reduction in our desired outcomes of a very strong reduction of our TRIFR from 7.9 in 2021 to 1.5 in 2022.

Employee and Contractor Incidents

Incident	2021 Number	2022 Number
Occupational fatal injury	0	0
Lost time injury	2	4
Restricted work injury	2	0
Medical treatment injury	0	1
First aid injury	12	132
Total injuries	16	137
Number of hours worked (employees and contractors)		3,381,891
Total Recordable Injury Frequency Rate (TRIFR)		
Monthly average over 12-month period	7.9	1.5

(Number of injuries x 1,000,000) / (number of hours worked)

SHMS Compliance Audits

During 2022, we conducted compliance audits of the SHMS at our acquired sites, South Walker Creek and Poitrel mines, to ensure compliance with the requirements under the *Queensland Coal Mining Safety and Health Act and Regulations*, and to identify strengths and improvement opportunities for site systems. The scope covered the physical areas of South Walker Creek, Poitrel and Red Mountain Infrastructure CHPP under the authority of the SSE.

The South Walker Creek compliance audit was completed in late 2022, and the Poitrel audit is due to be completed in early 2023.
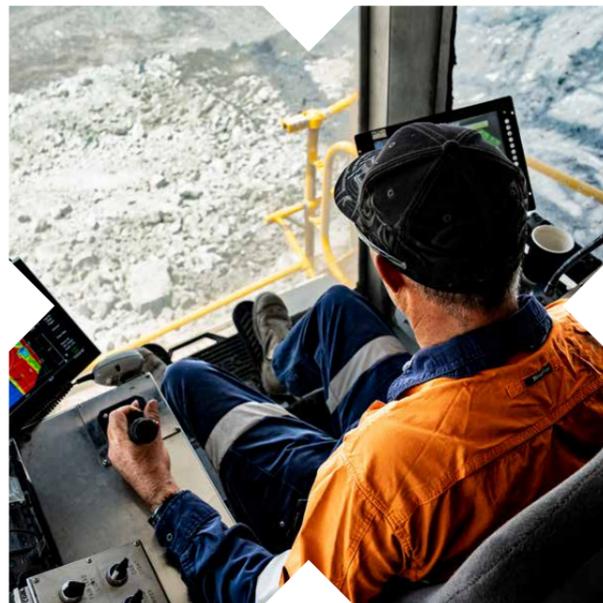
Hazard Identification, Risk Assessment and Incident Management

Hazards and risks are identified and evaluated at each site in accordance with our risk management procedures.

Information is compiled from relevant legislation and standards, risk assessments, incident records, industry hazard alerts, and input from management and employees. All identified hazards are assessed on their expected degree of severity/consequence and likelihood of occurrence, considering the effectiveness of existing controls.

Throughout 2022, we continued to enhance our safety risk management practices with improvements to our SHMS and the ongoing identification and evaluation of risks in our Hazards, Incidents and Investigations Records.

A Training Needs Analysis was conducted at our sites to identify the competencies required by employees. All workers in our mining operations were provided safety training through inductions and ongoing/refresher training when transferring to a new role or when new work processes, machinery, technology, materials and substances were introduced.

Mandatory training for all employees covered the basics of health and safety, including hazardous chemicals and dangerous goods handling, hygiene, manual handling, fire response, PPE and working area safety inspections. Further detail on training, including training hours completed in 2022, can be found in Section 9.3: Employment practices.

For the sites where we are not the Coal Mine Operator, we ensure our Principal Contractor has robust processes in place for risk, hazard and incident management.

In 2022, we recorded five lost time injuries across all our sites. No significant incidents associated with hazardous materials and waste management occurred in 2022.

Employee Wellbeing

At Stanmore, we acknowledge that worker safety is only one aspect of an employee's wellbeing. Our Employee Assistance Program (**EAP**) is provided to employees by industry-experienced provider Gryphon Psychology, with a similar service available for contractors. We offer this EAP program to all employees, their partners and any dependent children. The EAP counselling service is confidential and focuses on encouraging effective self-management strategies and practices.

8.2 Critical Incident Management

Each site maintains a Principal Hazard Management Plan (PHMP) which has been developed to identify, assess and control risks associated with those hazards that are deemed critical and could lead to serious injury, ill health or fatalities.

For all sites, formal risk identification and assessment is completed to ensure the risks associated with each principal hazard are managed to an acceptable level. The principal hazards and associated controls are detailed in our PHMP.

All critical controls identified within the PHMP are supported by a performance standard, verified frequently and recorded in the Stanmore Enterprise Risk Management System.

Emergency Response and Management of Critical Safety Incidents

Our sites are effectively resourced for emergency response and critical safety incident management, through staff training and provision of safety equipment. All roles with potential emergency involvement are trained in the use of emergency response resources and to understand their roles and responsibilities in an emergency. We also ensure we have a framework for managing emergency situations in our Incident Management Manual, which is accessible to all staff.

Emergency scenario exercise at South Walker Creek mine

Our South Walker Creek and Poitrel sites have Incident Management Teams (**IMT**), and we have a Brisbane-based Strategic Response Team to deal with escalated and high-severity cases.

Additionally, we have ensured our Principal Contractor has implemented an Emergency Response Plan (**ERP**) to ensure a timely and appropriate emergency response can be provided. Our Principal Contractor's Emergency Response Team (**ERT**) is comprised of individuals who are responsible for following the Emergency Protocol outlined in the ERP to ensure an immediate and organised response to emergency situations.

Annual ERT exercises are conducted in accordance with legislative requirements and involve external response organisations and other stakeholders, as appropriate. Lessons learned from emergency response drills, exercises and events are documented, incorporated into revisions of plans and resources, and shared with stakeholders and others as appropriate.

Working with and Supporting
Our Communities

Fostering strong connections with our communities and people is fundamental to the success and legacy of our organisation.

Through active engagement and collaboration, we work to understand and support the unique needs of each community in the Isaac region that might be impacted by our operations. We are dedicated to supporting local economic development, providing opportunities for job creation, building meaningful relationships with our First Nations stakeholders, and investing in programs that benefit the community.

Material Topics and Related UN SDGs

ECONOMIC IMPACTS — 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES

HUMAN RIGHTS AND COMMUNITY RELATIONS — 8 DECENT WORK AND ECONOMIC GROWTH | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

LOCAL COMMUNITIES — 3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION

RIGHTS OF INDIGENOUS PEOPLE — 3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Objectives

We aspire to:

- Maximise local and First Nations employment opportunities.
- Invest in our communities by increasing opportunities for partnerships with local small businesses and First Nations businesses.
- Reinforce cultural awareness among Stanmore's employees.
- Promote awareness and understanding of archaeological heritage in the local area.

Actions

1. Maintain our commitments to Stanmore's Social Impact Management Plan.
2. Implement a Reconciliation Action Plan by end of 2023.
3. Develop and implement a community investment framework by 2023 and maintain year-on-year discretionary funding of community benefit initiatives.

> **Community is central** to who we are and how we operate.

Moranbah Miners Junior Rugby Team sponsored by Stanmore

9.1   Local Communities

We strive to engage and consult with stakeholders within our local communities. We are conscious of the impact our operations can have on our local communities, and we believe a proactive and constructive approach to stakeholder engagement is critical for maintaining our social licence.

Key stakeholder groups in our local communities are identified in our Community and Stakeholder Engagement Plan (**CSEP**) and include local and state governments, employees and contractors, local community service providers and institutions, First Nations groups, landholders, emergency services, accommodation and hospitality providers, trade unions and industry groups, and other local mines and businesses.

We are proud to be part of the Isaac Region and are dedicated to making a positive contribution to the local community. We generate economic and employment opportunities within the region and play an active role in the development of our communities through economic, environmental and social outcomes.

We are committed to creating positive change within our local community by providing our people and community with continuous employment, training and business development opportunities.

Social Performance Managment and Monitoring

Isaac Plains and Isaac Downs

Social Impact Management Plans (**SIMP**) are in place for both Isaac Plains and Isaac Downs to ensure compliance with legislative obligations (including the *Environmental Protection Act 1994* and the *Strong and Sustainable Resource Communities Act 2017*) and to help monitor and report progress of management strategies. These were developed as part of the Social Impact Assessment (**SIA**) and Environmental Impact Assessment (**EIA**).

Some key areas of focus within the SIMPs are:

- Workforce Management Plan to maximise local employment and provide opportunities for First Peoples
- Housing and Accommodation Plan to reduce pressure on the local housing market and provide employees with housing choices, by funding construction and increasing the availability of affordable housing
- An internal procurement policy to prioritise local procurement and suppliers in the delivery of goods and services
- A Local Content Strategy
- Prioritising local and First Nations procurement and suppliers in the delivery of goods and services
- Health and Community Wellbeing Plan which outlines contributions and provisions to improve health and community wellbeing outcomes
- CSEP to ensure local community engagement methods are efficient and effective, and community members are updated on relevant Stanmore activities.

The CSEP has enabled us to establish and maintain respectful relations with the Barada Barna including managing cultural heritage in accordance with the Cultural Heritage Management Plan and meeting the requirements of the Mining Lease Consent Agreement. Stanmore participates in quarterly meetings with local First Nations corporations and their representatives.

South Walker Creek and Poitrel

Our acquisition of SMC represents a shift in scale and operations for Stanmore, resulting in a portfolio of four mines and three coal processing plants within an approximate 50-kilometre radius. Due to the proximity of the operations and projects to one another, they share stakeholders. The views, interests and level of influence these stakeholders have over our assets are also seen to be similar across Stanmore's portfolio.

Complaints Resolution

In 2022, we had no recorded complaints from the community.

We take a proactive approach in managing complaints through impact mitigation and community liaison. To facilitate active complaint resolution, it is important that local stakeholders are able to raise issues through formal channels.

Our operations are supported by a staff member dedicated to community and stakeholder liaison and responding to complaints, including reporting to management. Any community member can submit a complaint to Stanmore if they believe our practices have a detrimental impact on the community, the environment or their quality of life.

Living Locally

Stanmore is committed to ensuring a proportion of our workforce lives locally. Our 'Live Local' initiative funds housing for workers who have a 'usual place of residence' in the local Moranbah area. The objective of this fund is to contribute to the wellbeing of our employees, their families and the Moranbah community. Stanmore subsidises mortgage payments by up to $12,480 for each worker annually, with no cap on the number of employees able to access this initiative.

Benefits of the program include improved fatigue management and physical and mental wellbeing of participating employees, as a result of reduced travel times. Living locally also strengthens our ties with the local community, with our employees and their families contributing to life in the region.

4RFM Project Podcast sponsored by Stanmore

In 2022, we made a once-off contribution to the Isaac Affordable Housing Trust (**IAHT**), as part of our commitments to the *Strong and Sustainable Resource Communities (SSRC) Act (2017)* and under our Social Impact Management Plan for Isaac Downs. The IAHT offers quality affordable accommodation options to service workers in the local townships of Clermont, Dysart and Moranbah under the Isaac Rental Affordability Scheme (**IRAS**).

Strengthening Existing Relationships

After our acquisition of SMC, we have worked to maintain and strengthen existing relationships with local community groups and businesses to ensure we continue to provide direct and indirect economic support and investment.

We seek to actively and effectively deal with community expectations around employment and economic and community development opportunities, and engage nearby regional communities to manage amenity and access issues. Channels for engagement include face-to-face meetings, written notices, phone meetings and public consultation. We also seek proactive engagement with stakeholder groups including, but not limited to, the Isaac Regional Council, Department of Education, Barada Barna Aboriginal Corporation, DATSIP, Moranbah Traders Association, Dysart Business Group, Local Content Leaders Network and the Regional Industry Network. This allows us to initiate and maintain open communication with our stakeholders regarding our operations to proactively identify any issues or concerns.

Support for Community Organisations

Community groups, clubs and not-for-profit organisations are the heart and soul of regional communities. Stanmore continues to support a range of local community organisations, initiatives and programs throughout Central Queensland that benefit our people, our neighbours and the communities of Moranbah, Nebo, Mackay and nearby rural locations.

In 2022, we invested more than $124,000 into our local communities through ad hoc financial and philanthropic community contributions and contributed $109,000 to community groups and organisations through our Stanmore Community Grants Program (refer to Section 9.4: Economic Benefits).

CASE STUDY Poitrel Production Workforce and Traineeship Program 2022

During 2022, 100 outsourced operators at Poitrel mine were replaced with a mix of experienced labour hire and 66 new-to-industry (NTI) trainees.

The group represents the diversity of our community – with 55 women and 16 First Nations trainees in the team, primarily from the local communities in and around Mackay and Moranbah.

At the beginning of the program, trainees took part in a local onboarding session in Coppabella before commencing on site. The trainees first observed and then operated trucks, spent time in excavators and on blast patterns with the mine services crew, and participated in workshops to learn about the different operations around the site.

Given its success, Stanmore will continue the program based on operational needs to support our talent acquisition and local employment endeavours.

9.2 Land and Resource Rights

With more than 80,000 hectares of land assets in our portfolio, we must maintain a responsible approach for our use of land and natural resources, and manage potential impacts on landowners and local communities, First Peoples and other stakeholders.

Our 80,000 hectares of land assets are comprised of more than 71,000 hectares of assets and approximately 8,000 hectares of surface rights.

All our operational sites have routines for engaging with affected stakeholder groups. We have well developed Land and Tenement processes and employ a Land Manager who handles all tenement matters. We revised our CSEP to appropriately approach and engage with these stakeholder groups.

First Nations Engagement and Rights

With operations spanning across Barada Barna, Jangga and Widi Country, Stanmore aims to work in partnership with Traditional Owners and their representatives to support the rights, heritage and livelihood of First Peoples in the areas in which we operate. It is paramount that our ongoing and evolving journey in reconciliation is acknowledged and supported by all employees. We intend to enhance these communities through providing employment, procurement and training opportunities.

Throughout 2022, there were no reported incidents of violations involving the rights of First Peoples.

Australia has not legislated Free and Prior Informed Consent (**FPIC**) but is engaging in the complexities of this area under the *Native Title Act 1993 (Cth)*. Stanmore has been involved in the process for seeking free, prior and informed consent from First Peoples for the Isaac Plains and South Walker Creek mines.

Reconciliation Action Plan

During 2022, we continued the development of our Reconciliation Action Plan (**RAP**) and have invited First Nations representatives from our workforce to participate on the working committee. Stanmore is working closely with Reconciliation Australia to have the plan formally endorsed and accredited.

The draft RAP formalises our commitment towards the five dimensions of reconciliation: historical acceptance; race relations; equality and equity; institutional integrity; and unity. Our goal is to strengthen our connections with Traditional Custodians and provide meaningful opportunities for First Peoples through employment, education, training and business ventures.

Creating ongoing and feasible prospects means the relationship shared between Stanmore and Traditional Owners is strengthened over time and that both parties benefit from the longer-term outcomes. The RAP is currently at the Reflect stage and is being updated to take into account our larger footprint due to the acquisition of SMC. The RAP process will strengthen our ties with First Peoples and pave the way for meaningful reconciliation.

Indigenous Land Use Agreements

We have signed Indigenous Land Use Agreements (**ILUA**) for Isaac Plains and South Walker Creek, which are voluntary agreements between the Barada Barna People, Widi People, the State of Queensland and Stanmore, about the use and management of the land on which we operate.

South Walker Creek ILUAs

Through the SMC acquisition, we inherited existing land agreements and relationships with the Barada Barna and Widi Peoples, including the South Walker Creek ILUA, Shared Country ILUA and respective Cultural Heritage Management Plans (**CHMP**).

Stanmore will continue to progress relations with Traditional Owners across all assets. Our South Walker Creek ILUA Relationship Committees, made up of representatives from Stanmore and the Barada Barna Aboriginal Corporation (**BBAC**) and Gangali Narra Widi Aboriginal Corporation (**GNWAC**), meets quarterly to discuss matters relating to the agreements and other general updates and concerns.

We are working to educate our people about the cultural significance of the sites we operate on and to communicate our commitments to the Traditional Owners. In 2022, we introduced a Cultural Understanding Program for all our employees and contractors as part of our mandatory induction training. The program educates our workforce about local First Nations culture, including common languages and totem, and equips them to identify and report any artefacts of cultural significance. We will continue to review cultural learning needs within our organisation to increase understanding and recognise the value of First Nations cultures, histories, knowledge and rights.

Isaac Plains ILUA

Since 2016, we have worked side-by-side with the Barada Barna people on cultural heritage mapping and clearances at Isaac Plains and, more recently, across the Isaac Downs project from 2019 to 2021.

In 2022, Stanmore met regularly with representatives from BBAC and GNWAC. The meetings confirmed the importance and priority for employment opportunities for the families of Barada Barna and Widi Common Law Holders.

First Nations Employment Target

In 2022, we progressed further towards our 5% First Nations employment target and our written agreement with Barada Barna for two First Nations trainees to be engaged and trained for full-time employment at the Isaac Plains mine.

Two First Nations trainees from the Barada Barna were employed at Isaac Plains, and 16 First Nations trainees from the Moranbah and Mackay regions commenced the Production Traineeship Program in February (refer to the Poitrel Production Workforce and Traineeship Program 2022 case study in Section 9.1: Local Communities).

As at March 2022, Stanmore employs 41 people identifying as Aboriginal and/or Torres Strait Islander, from a total employee pool (including major supply chain contractors) of 1,755.

We also support Traditional Owners and First Nations businesses through our procurement practices. In 2022, we spent $5,139,173 with these businesses.

CASE STUDY

Get Up, Stand Up, Show Up

In July 2022, we hosted a barbecue at the South Walker Creek site in recognition of NAIDOC Week with special thanks to Traditional Owners, Barada Barna, who delivered the Welcome to Country, traditional dance and played didgeridoo songs.

Stanmore Resources Chair Pak Dwi Suseno, CEO Marcelo Matos and several members of our Leadership Team attended this special event to recognise the importance of NAIDOC Week and the Traditional Owners of the Country on which we operate.

The theme for NAIDOC Week 2022 was 'Get Up, Stand Up, Show Up', encouraging every one of us to champion institutional, structural and collaborative change while celebrating those who have already led and encouraged change in First Nations communities.
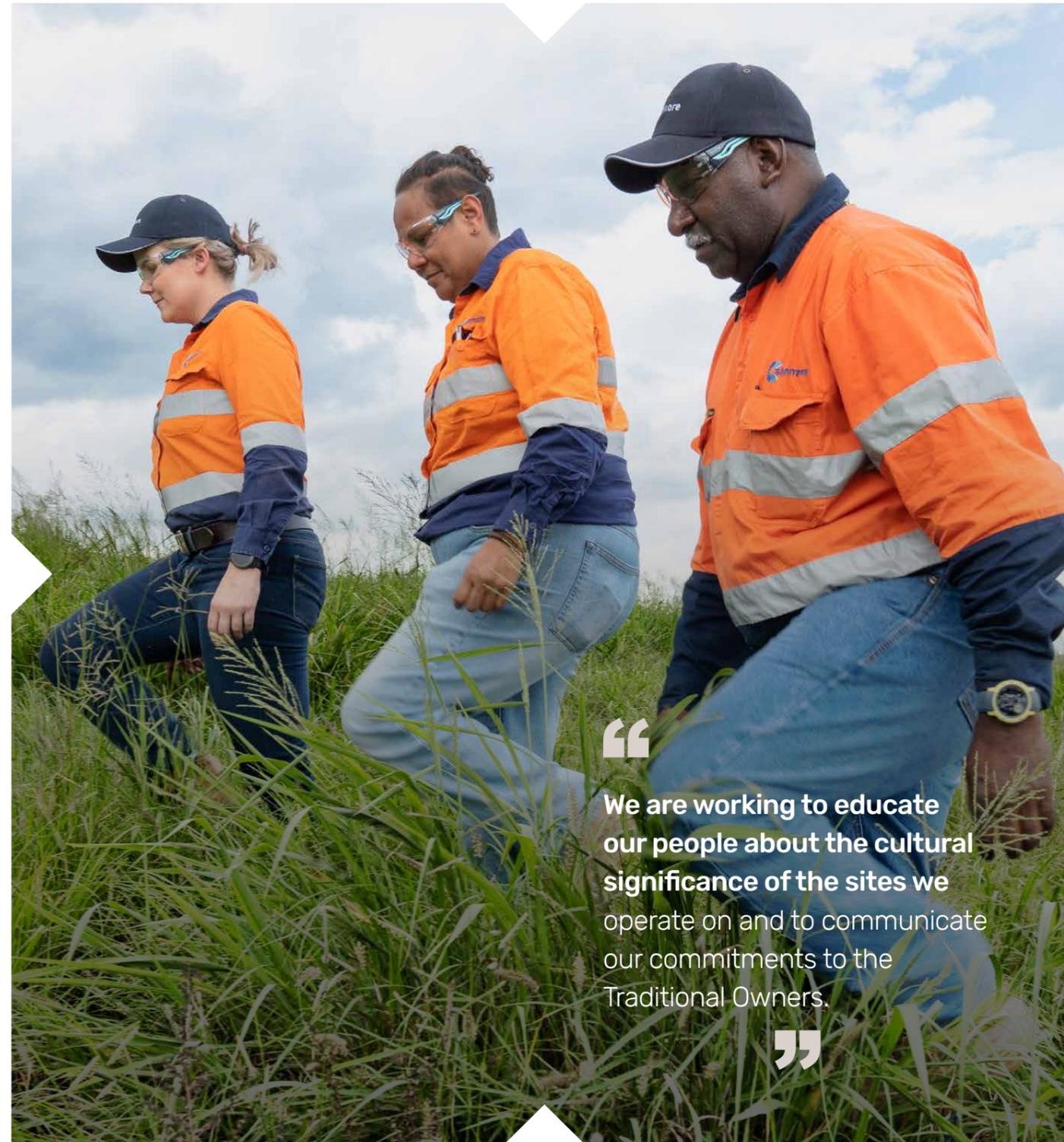
> **We are working to educate our people about the cultural significance of the sites we** operate on and to communicate our commitments to the Traditional Owners.

9.3 Employment Practices

At Stanmore, our dedicated workforce serves as the foundation of our success. We are committed to fostering a culture of safety, inclusivity and support, and providing our employees with the resources and opportunities they need to thrive.

Our employees should be provided with fair and equitable treatment, and we are committed to complying with all relevant laws and regulations and adhering to internationally recognised labour standards. As we continue to grow, we remain committed to fostering a culture that not only values entrepreneurship and getting the job done, but supports equal opportunity, inclusiveness and diversity in all aspects of employment.

We have implemented a number of initiatives to provide ongoing support, including financial incentive programs, subsidised local area housing for the Principal Contractor workforce and a paid parental leave scheme for all Stanmore employees.

Stanmore is committed to the principles of Equal Employment Opportunity (**EEO**) and Equitable Treatment. We take a zero-tolerance approach to discrimination, harassment, sexual harassment and bullying in the workplace.

Providing a safe and supportive workplace is critical to our business. We value the diversity of our workforce, respect the differences between individuals and recognise that each person has individual talents and skills to bring to their role. Line leaders are accountable for fostering a safe and inclusive work environment with early intervention to address behaviour or actions that conflict with the Stanmore Code of Conduct.

Accordingly, in addition to monitoring the above employee figures, we also track the diversity of our full-time Stanmore employees.

Reimbursement Remote Housing Guideline

We offer our staff flexibility by enabling them to be based with their families in the local area with proximity to their place of work. This encourages and enables people to meet expenses associated with settling in our local communities. In these cases, the standard is intended to provide some financial assistance to meet the cost of living closer to the mine location and compensate for the likely need for our people to respond to requirements to be present on site (employees are often based outside 50km from their work location).

Parental Leave

At Stanmore, we want to support our workers and their families. We offer our staff 12 weeks full paid or 24 weeks half paid parental leave. We also provide two weeks of paid secondary carer leave.

Parental Leave

Caregiver	Leave Entitlement
Primary	12 weeks (maternity leave)
Secondary	2 weeks

Employee Type	Male	Female
Employees entitled to Parental Leave	741	185
Employees that took Parental Leave	23	11
Number of employees that returned to work post Parental Leave	14	2

Salary Sacrifice

We have Fly In Fly Out (**FIFO**) workers as a result of the locations of our operations. We acknowledge this can be a financial constraint and subsequently allow our FIFO employees to salary sacrifice flights and airport parking, superannuation contributions, and novated vehicle leases.

Total Employees

Employee Type	Male	Female	Total
Full-time Employees	572	128	700
Part-time Employees	3	9	12
Temporary Employees	1	2	3
Non-Guaranteed Hours Employees	1	2	3
Total Number of Employees	577	141	718

Recruitment

Throughout 2022, our operations have continued to expand, bringing continued growth of our workforce. As of 31 December 2022, we had a total of 718 employees. This represents a net increase of 690 employees from 2021. Figures related to our employee numbers are outlined in the table above.

Employee training

We provide pathways and training opportunities for our employees to achieve their career aspirations, and to improve their skills and knowledge in various aspects of the industry such as safety, equipment operation and regulations.

We regularly review and update our training programs to ensure they are meeting the needs of our workers and align with our ambitions and direction. We also encourage employees to take advantage of additional learning opportunities, such as industry conferences and workshops, to further develop their skills.

Stanmore employees and contractors have completed more than 60,000 training hours in 2022. Courses have included generic training for position inductions and appointments, and role-specific training sessions such as hazardous substance management and working at heights.

Corporate Compliance Training

Our Human Resources and Legal and Compliance teams have been working to capture corporate compliance training requirements for our workforce and address gaps. Current gaps have been identified through an initial round of key stakeholder engagement, and a plan is in place to address these gaps during 2023 through the roll-out of Corporate Compliance Training.

Employee Training Hours

	2021	2022
Employees	324	61,880
Contractors	33,579	418,485

9.4 Economic Benefits

Summary of Generated and Distributed Economic Value

Applying the GRI Standards calculation methodology, in 2022, Stanmore generated US$2.706 billion in direct economic value and distributed US$2.5425 billion. Therefore, economic value retained was $163.5 million.

At Stanmore, we want to ensure our growth benefits our shareholders, our local communities and our broader stakeholders. Our activities provide direct and indirect economic investment and income to our local communities through employment, local procurement, taxes and royalty payments, and philanthropic contributions. We believe a planned, transparent and constructive approach to community engagement and investment is critical to maintaining our relationships and our reputation.

Philanthropic and Community Contributions

We support a range of local community organisations and activities throughout Central Queensland which benefit our people, our neighbours and the communities of Moranbah, Nebo, Mackay and nearby rural locations. We are proud to have made significant direct economic contributions to these communities through the program in 2022.

In 2022, we defined our Corporate Social Responsibility Spend Pillars (**CSR Pillars**), which allows us to distribute funding across a range of programs and initiatives.

Stanmore Community Grants Program and Sponsorship Program

Our Community Grants Program is open for applications twice yearly to regional community groups and organisations seeking support for initiatives or events. We were proud to provide 30 grants to 27 different groups during 2022 across all CSR Pillars. Stanmore is also proud to sponsor a variety of community initiatives and events.

Stanmore's Construction and Water Projects Manager, Doug O'Brien, attending Fitzroy Partnership for River Health 10 year celebration.

Stanmore Corporate Social Responsibility Spend Pillars

Education	Direct funding for educational initiatives and institutions such as schools and universities.
Health and Well-being	Direct funding for organisations, projects and initiatives supporting community health and wellbeing.
Environment Protection	Direct funding for infrastructure projects, research and innovation towards sustainability and community benefits
Innovation, Research and Infrastructure	Direct funding and in-kind support for environmental protection initiatives, projects and programs.
Others	All other direct funding and in-kind support towards social-economic impacts.

Philanthropic and Community Contributions

Pillar	Isaac Plains and Isaac Downs	Poitrel	South Walker Creek	Total
Education	$4,500	$15,000	–	**$19,500**
Health and Well-being	$34,832	$53,904	$2,200	**$90,936**
Innovation, Research and Infrastructure	$7,000	$5,000	–	**$12,000**
Environment Protection	$4,500	–	–	**$4,500**
Others	$69,228	$9,240	$27,600	**$106,068**
Total	**$120,060**	**$83,144**	**$29,800**	**$233,004**

CASE STUDY

Fitter for Life Seniors Program — Gymnastics Moranbah

In partnership with the Moranbah and District Support Services (**MDSS**), Stanmore has provided a community grant in support of the local program, *Fitter for Life Seniors Program*, hosted by Gymnastics Moranbah.

Run by accredited instructors, the program aims to provide locals a way of improving their mobility, strength, balance, coordination and flexibility in a fun, social and welcoming environment.

The program has been a great success, with 22 seniors aged 60 to 80 attending the classes on a fortnightly basis in 2021 and 2022. Participants have reported increased mobility and strength, allowing them to lead fuller lives. Due to increased demand, organisers plan to offer more classes for local seniors and additional coaching staff for the *Fitter for Life Seniors Program* in 2023.

Infrastructure and Services

In addition to direct economic investment in the community, we also support economic development of the region through investment in infrastructure and services.

Infrastructure investments and services we supported in 2022 include:

- Hydropanel project for Valkyrie State School (refer to case study below)
- Fitzroy Partnership for River Health (**FPRH**) (refer to Section 6.1: Water Management).
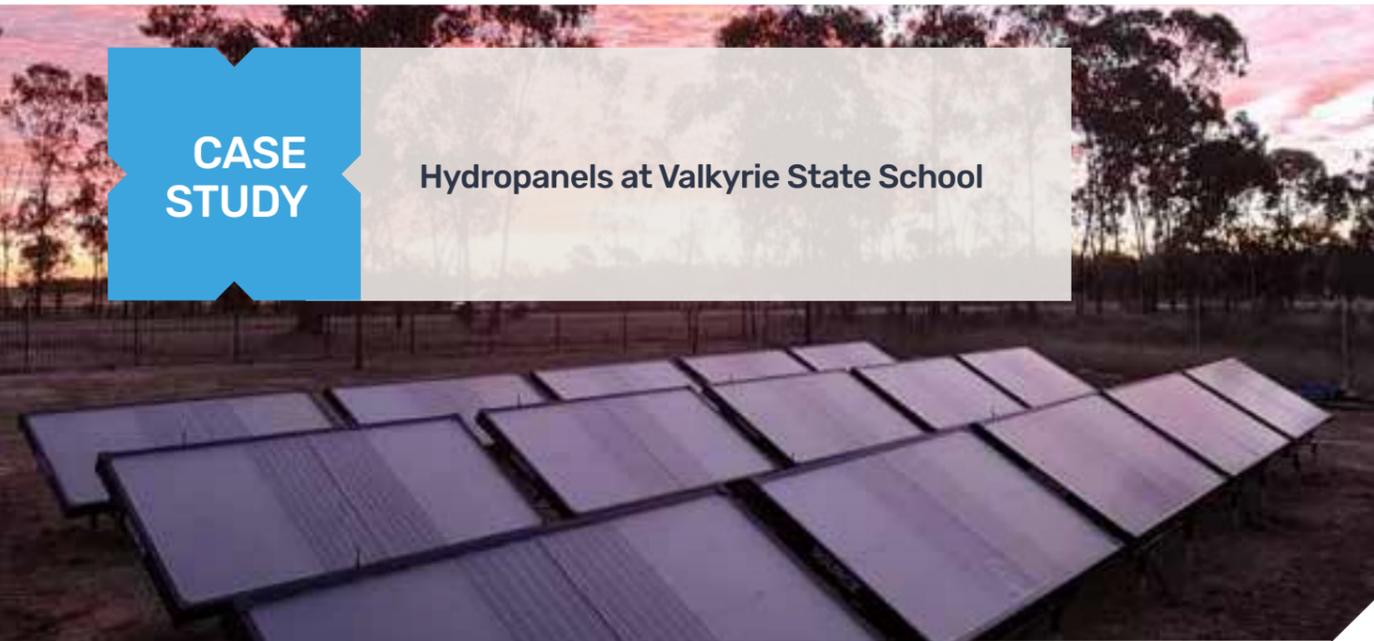
CASE STUDY

Hydropanels at Valkyrie State School

From 1974 to 2022, Valkyrie State School (located south-west of Mackay with approximately 16 children and two staff) did not have a safe and reliable supply of drinking water. Thanks to the hard work of the school P&C, plus funding parties including Stanmore, Rural Aid and Source, the school now has an array of 15 hydropanels, delivering a ready source of drinking water for the first time in almost 50 years.

A hydropanel collects and stores water vapour from the air. The hydropanel array installed at Valkyrie State School is expected to produce approximately 100,000 litres of water over its lifetime, offsetting approximately 800,000 plastic bottles.

"Without this hydropanel project I can guarantee you our children would not have a solution for permanent drinking water. You have changed Valkyrie State School for the better. You have become a part of our history and cemented a place within our social fabric for years to come. I will continue to say this well into the future, for what you have done, we are forever grateful."

Kristen Michelmore, Valkyrie State School P&C President

Choosing Local Procurement and First Nations Business

With the acquisition of SMC in 2022, our supply chain and procurement needs rapidly expanded. As of June 2022, we had 874 active vendors — an increase of 280 vendors from the 2021 calendar year.

We aim to support and strengthen businesses in the Isaac and Mackay regions, and are implementing an internal procurement policy that prioritises local procurement and suppliers in the delivery of goods and services required by Stanmore. This policy will be in place from 2023.

In response to our obligations under the SSRC Act, we developed a Local Content Strategy, consistent with the values of the Queensland Resources and Energy Sector Code of Practice for Local Content and Australian Industry Participation Framework. The strategy describes how we encourage and support local procurement and local businesses, and how we will report on the outcomes.

In 2022, we spent $78,449,339 with local businesses, including $5,139,173 with Traditional Owner businesses. Local businesses are defined as those located within a 125km radius of our operational mine sites, which includes Moranbah, Clermont, Nebo, Coppabella and Mackay.

$78,449,339

Local Vendor Spend 2022
(Including Traditional Owner businesses)

$5,139,173

Traditional Owner Spend 2022

125 km radius from Stanmore operational mine sites

10. Workforce Development and Inclusion
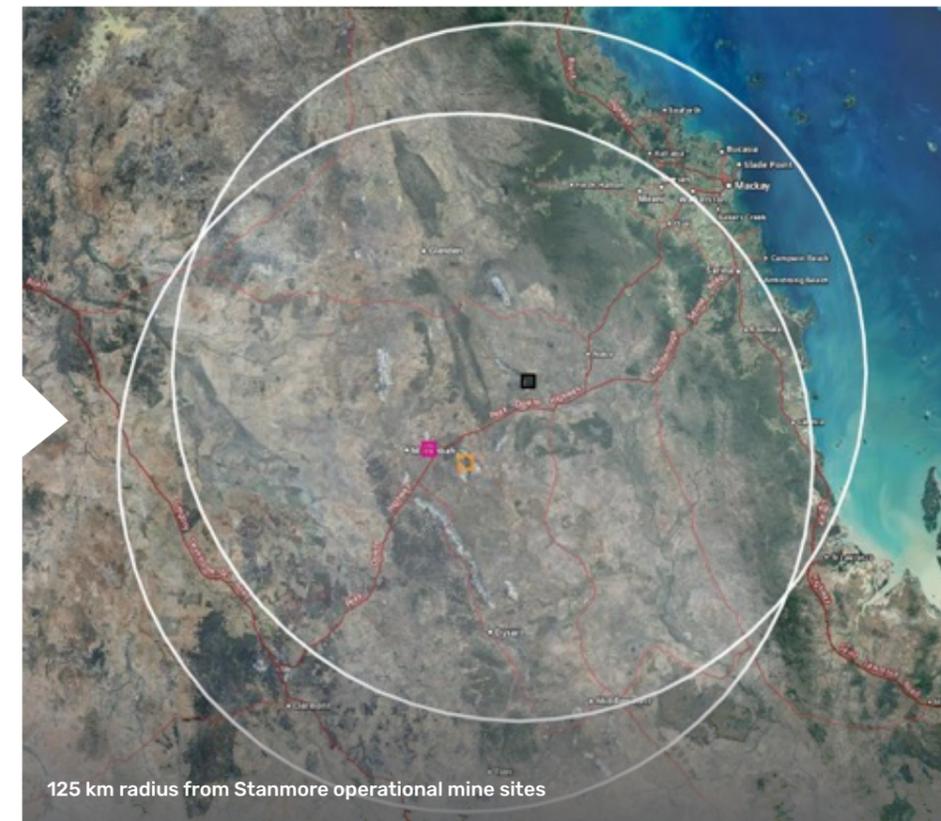
We value the diversity of our workplace and aspire to promote gender equality, welfare and opportunities across our organisation.

Our Equitable Treatment Policy and Diversity Policy, which are available on our website, set out our approach to providing a diverse workforce and safe work environment for our employees and contracted workforce.

We have implemented initiatives to instil a culture that promotes a positive working environment including flexible work arrangements, paid parental leave and our Employee Assistance Program (**EAP**). We believe, through these initiatives, we can foster a collaborative and fulfilling workplace environment that ultimately benefits our company as a whole. For our 2022 parental leave figures, please refer to Section 9.3: Employment Practices.

Material Topics and Related UN SDGs

EMPLOYMENT PRACTICES

2 ZERO HUNGER | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES

Inclusion starts at the governance level, and we are committed to representing Stanmore's diverse skills and backgrounds in our Board and Management Committees.

Board Members by Gender	Male	Female	Total
Number	7	1	8
Percentage	87.5%	12.5%	100%

Every individual in our workplace is entitled to be treated fairly and with dignity, and these responsibilities are captured in our Fair Treatment Policy. We recognise incidents of discrimination and harassment can have a significant impact on the wellbeing and productivity of our employees. We therefore take instances of discrimination seriously and are committed to attending to concerns of unfair treatment promptly, respectfully, impartially and confidentially, through the appropriate internal or external channels.

We support the development and inclusion of our workforce through our employment and remuneration practices. We aim to provide competitive salary packages and employee wages to attract and retain talent. Packages vary across operations due to enterprise bargaining agreements (**EBA**) and staff contracts. Data related to remuneration and benefits for our contracted workforce is confidential.

> **Every individual in our workplace is entitled to be treated fairly** and with dignity, and these responsibilities are captured in our Fair Treatment Policy.

We are committed to upholding our values and acting ethically in all our business practices.

Our robust and transparent governance processes and frameworks ensure we act in the best interest of all stakeholders.

Material Topics and Related UN SDGs

MANAGEMENT OF LEGAL AND REGULATORY FRAMEWORK

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

FORCED LABOUR AND MODERN SLAVERY

8 DECENT WORK AND ECONOMIC GROWTH | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SYSTEMATIC ENTERPRISE-WIDE RISK MANAGEMENT

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Objectives

We aspire to:

- Create an effective management system and governance framework across our organisation, that maintains our social and regulatory licence to operate.

Actions

1. Zero significant environmental, community or cultural heritage events across Stanmore operations.
2. Regularly review our governance policies and framework, including whistle-blower, anti-corruption and bribery policies, and modern slavery policies, amongst others.
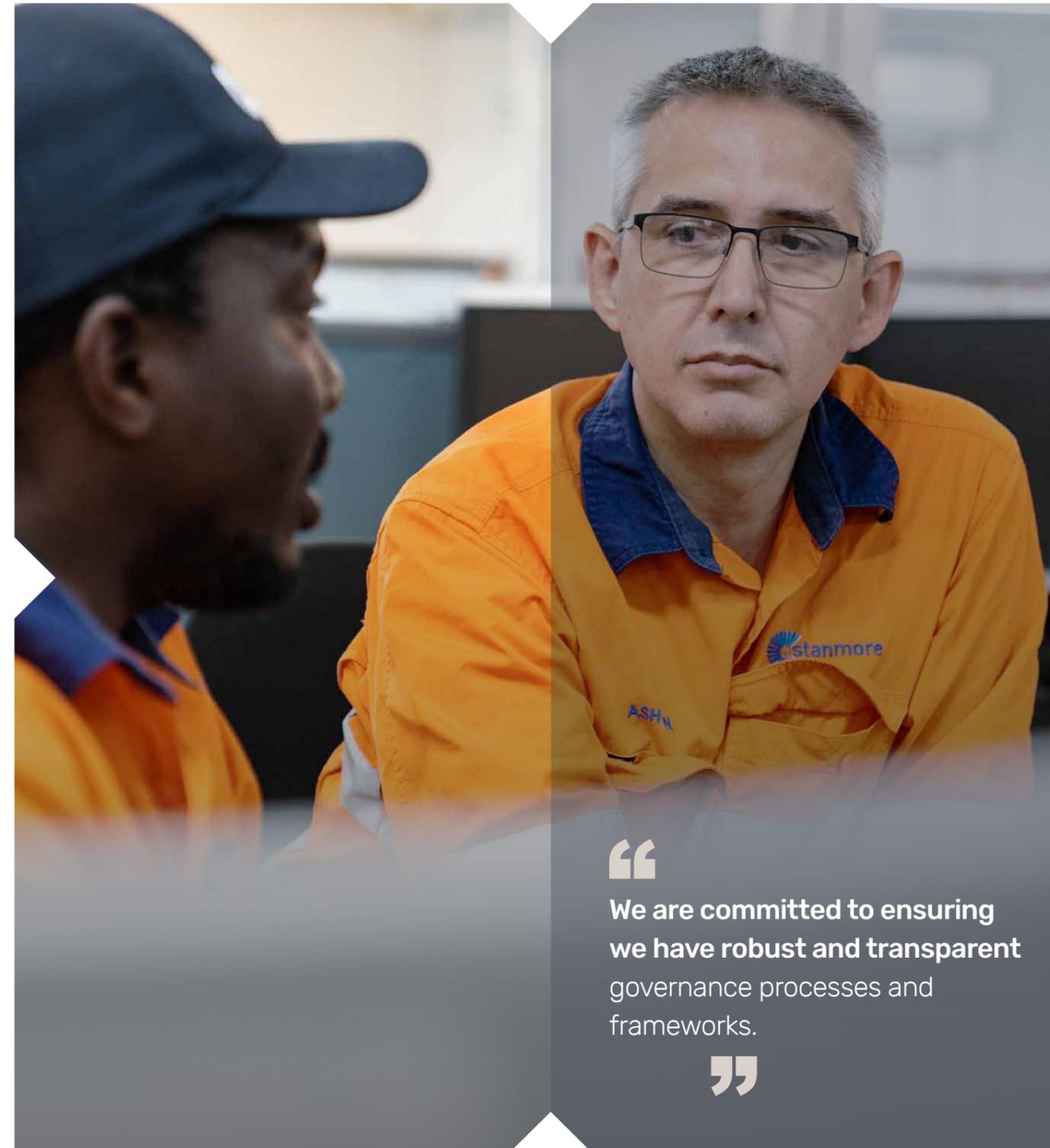
" **We are committed to ensuring we have robust and transparent** governance processes and frameworks. "

11.1 Upholding our Values and Acting Ethically

Acting with integrity is one of our company values — not only because it is the right thing to do, but also because it contributes to our long-term success.

Stanmore's Code of Conduct outlines the standard the Board, management and employees are required to uphold when interacting with each other, shareholders and all other stakeholders.

Stanmore's Corporate Ethics Policy, sets out the obligations of integrity and honesty for each member of the Board, management and employees generally, including obligations related to preventing and managing conflicts of interest. We have embedded these values at the core of our business, and we are determined to continuously improve our ethics and corporate governance practices to ensure we are accountable and transparent across our business.

11.2 Corporate Governance Framework

In 2021, Stanmore engaged a third party to conduct a health-check of our Corporate Governance Framework, Risk Management Framework and key financial processes.

The objective of this work was to further strengthen our governance and internal control environment beyond compliance by considering industry best practice and to support our growth and expansion in 2022 and onwards.

In 2022, we commenced the implementation of a roadmap of prioritised activities, which focused on the remediation of identified internal controls, strengthening policies and process documentation, and implementing a formalised, fit-for-purpose framework to set a foundation for our growth.

This included implementing a number of initiatives across the areas of governance, enterprise risk management, finance, IT and records management. Key outcomes included:

- A fit-for-purpose and improved Delegation of Authority Manual to account for our expansion
- Refreshed and updated Code of Conduct in alignment with best practice
- The implementation of a formalised, fit-for-purpose Governance, Risk and Compliance Structure and Framework
- The commencement of a strategic, operational and departmental risk register program of works
- Benchmarking the Risk Matrix Framework.

In 2022, we also reviewed and updated key corporate governance policies and committee charters to ensure the Board's oversight of key risk and governance issues is fit-for-purpose and in line with best practice.

All of the policies listed below are available on the Governance section of our website:

- Board Charter
- Code of Conduct
- Audit and Risk Management Committee Charter
- Disclosure Committee Charter
- Health and Safety Committee Charter
- Remuneration and Nominations Committee Charter
- Sustainability Committee Charter
- Standing Rules of Committees
- Anti-Bribery and Corruption Policy
- Corporate Ethics Policy
- Market Disclosure and Communication Policy
- Securities Trading Policy
- Shareholder Communications Policy
- Whistleblower Policy
- Privacy Policy.

Our Corporate Governance Framework and practices are integral to ensuring Stanmore can make decisions that are in the best interests of all stakeholders and aligned with our vision and direction. They provide a structure for managing and directing our operations, forging and maintaining an internal culture of good governance and ethical behaviour, and ultimately creating long-term, sustainable value for our shareholders and stakeholders.

Our Corporate Governance Statement is structured in line with the Australian Securities Exchange (**ASX**) Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition, and is available on our website.

The Stanmore Board Charter outlines the roles, responsibilities, structure and processes of the Board of Directors. The Board is established and empowered by the Company's constitution and the *Corporations Act 2001 (Cth)*. In carrying out its responsibilities, the Board is to act honestly and ethically, in accordance with laws and regulations, and in the best interest of the shareholders, employees, customers and the local communities where the company operates. The specific responsibilities of the Board are outlined in the Charter available on our website.

As an organisation with integrity as a core value, we strive to have a robust approach to ethics and corporate governance.

11.3 Structure of the Board and Board Committees

In 2022, three new Directors joined Stanmore's Board of Directors (Board), increasing the composition, skill set and experience of the Board, specifically in the areas of operations and safety, finance and investment, and coal marketing and trading.

These appointments included two new independent, non-executive Directors, Mr Brett Garland and Ms Caroline Chan, and one new non-independent Director, Mr Matthew Latimore.

Appointment as a Director of Stanmore is based on merit against objective criteria. This approach helps to ensure the Board is composed of individuals who are well-qualified, diverse and committed, and can make informed decisions that are in the best interests of the company and its stakeholders.

Stanmore considers industry experience and specific expertise, as well as general corporate experience, to be important attributes of its Board members. The Company conducts comprehensive background checks prior to the appointment of any new Director. Formal letters of appointment setting out the terms of appointment are in place for all Directors, and tailored induction and training is offered to assist Directors to discharge their responsibilities effectively. In 2022, we updated our Director onboarding procedures to align with the Australian Institute of Company Directors and ASX best practice guidelines.

Information on the term of office held by each Director as at the end of 2022 can be found in the Stanmore Annual Report.

As outlined in our Corporate Ethics Policy, Directors must consider their responsibilities regarding conflicts of interest when deciding whether to attend and participate in Board meetings. Directors with a material personal interest in a matter related to the company must disclose it to the company and generally should not attend or vote on the matter during a meeting but may do so if the Board passes a resolution or if the Australian Securities and Investments Commission (**ASIC**) consents.

11.4 Board Skills Matrix

We strive to ensure our Board is comprised of Directors who possess a diverse range of direct practical experience and in-depth knowledge within their areas of expertise.

The Board Skills Matrix, which can be found in the Corporate Governance Statement, highlights the specific areas of expertise, skills and experience of our Directors. It is reviewed annually to report on the current range of skills, assess the potential capabilities of current and prospective Directors, and serve as a compass for the Board's succession planning. Our aim is to have a Board that sets the benchmark for excellence and innovation in the industry, with a diverse and complementary skill set that can drive the business towards our goals and aspirations.

In 2022, our Board and Executive Leadership Team participated in an externally facilitated Sustainability and ESG awareness workshop, with the focus of building capacity and ensuring our leaders are well informed of the evolving ESG landscape globally.

11.5 Board Evaluation

The Board has implemented an internal self-evaluation process to measure its effectiveness and drive continuous improvement.

This process enables the Board to assess its performance as a whole, as well as that of individual Committees and Directors. The Board conducts a comprehensive survey of its performance against a pre-defined set of performance standards, which enables assessment of current performance and serves as a means for the Board to challenge itself and set new standards of excellence. By regularly measuring performance, the Board is able to identify areas for improvement and make targeted changes to enhance effectiveness.

This process encourages open and honest feedback from individual Directors on their own performance, as well as the performance of the Board and its Committees. Furthermore, the process evaluates the performance of the Executives against business objectives and key performance indicators outlined in their contracts. The aim is to ensure that the Board and its Committees are functioning at the highest level and working cohesively to achieve the company's goals. It also identifies upskilling opportunities for Directors.

11.6 Committees of the Board

The Board has five Board Committees to assist it in discharging its responsibilities.

These committees are:

- Health and Safety Committee
- Audit and Risk Management Committee
- Remuneration and Nominations Committee
- Sustainability Committee
- Disclosure Committee.

A full listing of the matters for which the Board has responsibilities is provided in the Board Charter on our website.

Remuneration and Nominations Committee

Stanmore's Board regularly reviews the appropriateness of employees' fixed compensation considering the group's cost structure and the practices of its peers. The Remuneration and Nominations Committee is the body responsible for overseeing the remunerations policies and practices. This includes making recommendations to the Board with respect to remuneration of Executives and Directors. Our Remuneration Framework for Directors and Executives is detailed within the Remuneration Report section of the Annual Report.

Sustainability Committee

Stanmore's Sustainability Committee was formed during 2022 and assists the Board with the oversight of identification, management and mitigation of ESG risks.

The Sustainability Committee meets three times per year, with the first meeting held in September 2022. The role, responsibilities, composition, structure and membership of the Committee can be found on our website.

Specific objectives of the Sustainability Committee are to:

- Monitor the Group's identification, management and mitigation framework for risks relating to sustainability and ESG matters
- Provide the necessary focus and guidance on sustainability matters and, with the use of benchmarking, assist management in improving the sustainability and ESG performance of the Company
- Advise and make recommendations to the Board on sustainability matters, risks, issues and performance
- Support the Board and management in understanding stakeholder expectations with respect to sustainability and ESG matters
- Oversee and advise the Board with respect to the development and implementation of sustainability strategies and initiatives
- Monitor and advise the Board on sustainability issues and trends, including those relating to sustainability reporting, including with respect to climate and other ESG matters
- Oversee and provide guidance for the business strategy for Stanmore Green.

In 2022, the Sustainability Committee achieved significant progress in the development, approval, implementation and oversight on a number of sustainability strategies and initiatives across our business, as set out in this report.

In 2023, the Sustainability Committee will play a key role in enacting the recommendations made by the Task Force on Climate-Related Financial Disclosures (**TCFD**), related to the areas of governance and risk management. The Committee will continue to oversee the implementation of initiatives to streamline our compliance and sustainability reporting in future years.

11.7 Anti-Corruption and Bribery

Stanmore has a zero tolerance for bribery or corruption in connection with our operations and activities, and this is formalised in our Anti-Corruption Policy.

Corruption and bribery in the resources industry has been linked to various negative impacts, including the misallocation of resource revenues, damage to the environment, abuse of democracy and human rights, and political instability. It also delegitimises business activities and has the potential to expose our people to significant risks.

Prohibitions covered under our Anti-Corruption Policy include:

- Engaging in corruption
- Engaging in bribery
- Making facilitation payments
- Offering, paying, soliciting or receiving secret commissions
- Engaging in fraud
- Engaging in money laundering
- Offering or accepting illegitimate gifts, benefits or hospitality
- Allowing a conflict of interest to occur.

We have had no reported incidents of bribery or corruption in our organisation in 2022.

In addition, we have implemented internal controls to ensure compliance with all relevant laws and regulations, including those related to anti-corruption. We conduct regular risk assessments to identify potential vulnerabilities, and we have established clear policies and procedures for managing any risks that are identified.

We promote a culture of transparency and honesty doing business with integrity and speaking up without fear of retaliation. Our Whistleblower Policy protects individuals who report violations. We also have dedicated Stanmore Speak Up Officers and an external Integrity Hotline Service, managed by an independent whistleblowing service, which allows individuals to confidentially report any concerns they may have about potential corruption or unethical behaviour.

Freedom of Association and Collective Bargaining

At Stanmore, we respect the right to freedom of association and collective bargaining to ensure our people are treated fairly and with dignity. All employees are permitted to partake in collective bargaining to negotiate working conditions and terms of employment under the relevant legislation, and all workers are permitted to join trade unions and associations. We have Enterprise Bargaining Agreements in place for our employees at our South Walker Creek and Poitrel mine operations.

Conflict and Security

Stanmore has no locations or operations in areas of conflict.

Forced Labour and Modern Slavery

Stanmore is committed to ensuring compliance with human rights principles and to acting ethically and with integrity in conducting our business. We do not tolerate any forms of slavery or human trafficking within our business or supply chains, and have developed a robust, continuously improving approach to minimise the risk of forced labour and modern slavery in our operations and supply chain.

Our approach to human rights standards is informed by the UN Guiding Principles on Business and Human Rights and reflects internationally recognised human rights and rights at work, including the UN International Bill of Human Rights, the International Labour Organization (**ILO**) Declaration on Fundamental Principles and Rights at Work, and other ILO Declarations and Conventions relating to labour and employment. Although not included in the definition of modern slavery, we recognise that certain practices such as poor working conditions or underpayment of wages can lead to such violations, and we are committed to preventing and addressing such issues in our operations.

In 2022, we implemented our Modern Slavery Policy to outline our commitments and actions with respect to the protection of human rights. We also published our annual Modern Slavery Policy Statement as required under the *Modern Slavery Act 2018 (Cth)*. We had zero incidents of forced or compulsory labour in our operations in 2022.

Through our contractual terms and conditions, we endeavour to engage with suppliers and contractors who are aligned with our stance on protecting human rights, and who are opposed to any form of slavery or human trafficking. In 2022, to assist with strengthening our due diligence practices on our suppliers, we engaged a third party ESG data provider to assess the risk of modern slavery in our supply chain. The provider is performing a modern slavery risk assessment on each of our suppliers and will provide a modern slavery risk footprint using publicly available national accounting and trade data. We intend to use this data to undertake audits of our highest risk suppliers. We are committed to transparently reporting on our efforts to address modern slavery and will report the findings of this assessment in the 2023 Sustainability Report.

Our Procurement Procedure, which was implemented in 2022, requires employees to consider the impact of procurement activities on modern slavery and not to appoint suppliers suspected of engaging in modern slavery.

Stanmore's Modern Slavery Working Group plays a key role in the ongoing management of the measures we take in eliminating modern slavery from our supply chain, including:

- Developing and implementing training programs for our people
- Establishing risk assessment and remediation processes
- Reviewing and implementing assurance processes for policies and procedures where they relate to modern slavery.

In 2022, the Working Group commenced with the identification and assessment of modern slavery-related risks and guided the supply chain risk assessment project, developed a remediation protocol, and implemented training for senior leaders and those involved in procurement decisions.

Payment to Governments

Our payments to governments contribute to the economic development of the region and state in which we operate. These payments include taxes, royalties and other payments, which contribute to funding a wide range of public services and infrastructure projects. We are transparent about the payments we make to governments, to demonstrate that we are operating in a responsible and accountable way and contributing to our social licence to operate.

Disclosure of information about the payments we make to governments is a requirement under the Extractive Industry Transparency Initiative (**EITI**) Reporting Framework. The EITI framework is not yet mandatory in Australia. However, the Commonwealth Government has announced its commitment to implement the standard.

We strive for full and timely compliance with the letter and intent of the prevailing tax laws of all jurisdictions in which we operate. We seek strong, collaborative working relationships with all relevant revenue authorities.

In 2022, we paid US$746.6 million in taxes and royalties to governments.

Public Policy

With regards to our engagement with politics and public policy matters, we maintain a neutral stance, and do not align with any political issues or agendas. We do not contribute to public policy development or engage in political lobbying, nor is it part of our business model or charter to make political contributions. We believe it is our responsibility to focus on the safe and sustainable development of our business and operations, and to let the relevant authorities and stakeholders address broader policy matters.

Stanmore is a full member of the Queensland Resources Council (**QRC**), an industry body that represents the interests of the resources sector in Queensland to government, industry and the community. As part of this role, the QRC plays an active role in the development of public policy in Queensland, by providing expert advice and guidance to government and other stakeholders on matters related to the resources sector. The QRC takes a pro-industry stance, promoting the economic and social benefits of the resources sector, as well as highlighting the industry's contributions to the state and national economies. It also advocates for policies that support the growth and development of the sector, such as streamlining regulations, reducing red tape and promoting investment and exploration.

The QRC represents the views and interests of its members, which are mainly the companies involved in the exploration, production and processing of minerals and energy resources. Stanmore is fundamentally in alignment with QRC policies and positions at this time.

12. Appendix 1 – GRI Index

Stanmore Resources has reported with reference to the Global Reporting Initiative (GRI) Standards for the period 1 January 2022 to 31 December 2022. This report contains disclosures form the GRI Universal Standards (GRI 1, 2 & 3) and the GRI Coal Sector Standard (GRI 12).

This content index details our material topics, and our reporting against the related disclosures and management approach. Where information is available, we have also included additional disclosures beyond our material topics.

The 'Location' column indicates the relevant section of the report where each disclosure can be found.

GRI 1 used	**GRI 1: Foundation 2021**
Applicable GRI Sector Standard(s)	**GRI 12 Coal Sector 2022**

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	a) About this Report
		b) Refer to Annual Report
		c) About this Report
		d) Our Business
	2-2 Entities included in the organization's sustainability reporting	a) Reporting Boundary and Scope
		b) Reporting Boundary and Scope
		c) Reporting Boundary and Scope
	2-3 Reporting period, frequency and contact point	a) About this Report
	2-4 Restatements of information	a) Reporting Boundary and Scope
	2-5 External assurance	a) About this Report – External Assurance
	2-6 Activities, value chain and other business relationships	a) About this Report
		b) Our value chain
		c) About this report – Reporting boundary and scope
		d) About this report – Reporting boundary and scope
	2-7 Employees	a) Employment Practices
		b) Employment Practices
		c) Employment Practices
		d) Employment Practices
		e) Employment Practices
	2-8 Workers who are not employees	a) Our Operations
	2-9 Governance structure and composition	a) Structure of the Board and Board Committees
		b) Structure of the Board and Board Committees
		c) Structure of the Board and Board Committees
	2-10 Nomination and selection of the highest governance body	a) Structure of the Board and Board Committees
		b) Structure of the Board and Board Committees

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION
	2-11 Chair of the highest governance body	a) Structure of the Board and Board Committees
		b) N/A
	2-12 Role of the highest governance body in overseeing the management of impacts	a) Committees of the Board
		b) Committees of the Board
		c) Committees of the Board
	2-13 Delegation of responsibility for managing impacts	a) Committees of the Board
		b) Committees of the Board
		c) Committees of the Board
	2-14 Role of the highest governance body in sustainability reporting	a) Committees of the Board
	2-15 Conflicts of interest	a) Upholding our Values and Acting Ethically
		b) Structure of the Board and Board Committees
	2-16 Communication of critical concerns	a) Sustainability Committee
	2-17 Collective knowledge of the highest governance body	a) Structure of the Board and Board Committees
	2-18 Evaluation of the performance of the highest governance body	a) Board evaluation
		b) Board evaluation
		c) Board evaluation
	2-19 Remuneration policies	a) Committees of the Board
	2-20 Process to determine remuneration	a) Committees of the Board
	2-22 Statement on sustainable development strategy	a) A Message from the Chief Executive Officer
		A Message from the Chair of the Sustainability Committee
	2-23 Policy commitments	a) Upholding our Values and Acting Ethically
		b) Forced Labour and Modern Slavery
		c) Corporate Governance Framework
		d) Structure of the Board and Committees
	2-24 Embedding policy commitments	a) Upholding our Values and Acting Ethically
	2-25 Processes to remediate negative impacts	a) Local Communities
	2-26 Mechanisms for seeking advice and raising concerns	a) Anti-Corruption and Bribery
	2-27 Compliance with laws and regulations	Pending
	2-28 Membership associations	a) Public Policy
	2-29 Approach to stakeholder engagement	a) Our Material Topics
		b) Our Material Topics
		c) Our Material Topics
	2-30 Collective bargaining agreements	a) Freedom of Association and Collective Bargaining

Appendix 1 – GRI Index

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION
Material topics and other disclosures		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Material Topics
	3-2 List of material topics	Our Material Topics
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Impacts Climate Adaptation, Resilience and Transition
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Benefits
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Adaptation, Resilience and Transition
Indirect economic impacts		
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Benefits
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Economic Benefits
	12.8.1: Additional Sector Recommendations Describe the community development programs in place that are intended to enhance positive economic impacts for local communities, including the approach to providing employment, procurement, and training opportunities.	Economic Benefits Local Communities
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic Benefits
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Economic Benefits
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Anti-Corruption and Bribery
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Corruption and Bribery
	205-3 Confirmed incidents of corruption and actions taken	Anti-Corruption and Bribery
	12.20.1: Additional Sector Recommendations Describe how potential impacts of corruption or risks of corruption are managed in the organization's procurement practices and throughout the supply chain.	Anti-Corruption and Bribery
Tax		
GRI 3: Material Topics 2021	3-3 Management of material topics	Payments to Governments
GRI 207: Tax 2019	207-1 Approach to tax	Payments to Governments
	207-2 Tax governance, control, and risk management	Payments to Governments
	207-3 Stakeholder engagement and management of concerns related to tax	Payments to Governments
	207-4 Country-by-country reporting	Payments to Governments
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Consumption and Greenhouse Gas Emissions
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Consumption and Greenhouse Gas Emissions
	302-3 Energy intensity	Energy Consumption and Greenhouse Gas Emissions

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management
	303-2 Management of water discharge-related impacts	Water Management
	303-3 Water withdrawal	Water Management
	303-4 Water discharge	Water Management
	303-5 Water consumption	Water Management
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Biodiversity
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity
	304-3 Habitats protected or restored	Sustainable Land Use, Land Rehabilitation Management and Mine Closure
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Consumption and Greenhouse Gas Emissions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy Consumption and Greenhouse Gas Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Energy Consumption and Greenhouse Gas Emissions
	305-3 Other indirect (Scope 3) GHG emissions	Energy Consumption and Greenhouse Gas Emissions
	305-4 GHG emissions intensity	Energy Consumption and Greenhouse Gas Emissions
	305-5 Reduction of GHG emissions	Energy Consumption and Greenhouse Gas Emissions
	12.2.3: Additional Sector Recommendations • Report how the goals and targets for GHG emissions are set, specify whether they are informed by scientific consensus, and list any authoritative intergovernmental instruments or mandatory legislation the goals and targets are aligned with • Report the Scopes (1, 2, 3) of GHG emissions, activities, and business relationships to which the goals and targets apply • Report the baseline for the goals and targets and the timeline for achieving them.	Energy Consumption, Greenhouse Gas Emissions and Climate Adaptation, Resilience and Transition
	12.4.1: Additional Sector Recommendations • Describe actions taken by the organization to prevent or mitigate potential negative impacts on local communities and workers from particulate matter (PM) emissions from coal dust • Describe actions taken to improve coal quality to reduce harmful air emissions in the use phase.	Air Quality
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Management

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management
	306-2 Management of significant waste-related impacts	Waste Management
	306-3 Waste generated	Waste Management Water Management
	12.6.4: Additional Sector Recommendations When reporting the composition of the waste generated, include a breakdown of the following waste streams, if applicable: overburden; rock waste; tailings.	Waste Management
	12.6.5: Additional Sector Recommendations When reporting the composition of the waste diverted from disposal, include a breakdown of the following waste streams, if applicable: overburden; rock waste; tailings.	Waste Management
GRI 306: Waste 2020	306-5 Waste directed to disposal	Waste Management
	12.6.6: Additional Sector Recommendations When reporting the composition of the waste directed to disposal, include a breakdown of the following waste streams, if applicable: overburden; rock waste; tailings.	Waste Management
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Employment Practices
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employment Practices
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment Practices
	401-3 Parental leave	Employment Practices
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Workplace Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Workplace Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Workplace Health and Safety
	403-3 Occupational health services	Workplace Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Workplace Health and Safety
	403-5 Worker training on occupational health and safety	Workplace Health and Safety
	403-6 Promotion of worker health	Workplace Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Workplace Health and Safety
	403-9 Work-related injuries	Workplace Health and Safety
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	Employment Practices
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employment Practices
	404-2 Programs for upgrading employee skills and transition assistance programs	Employment Practices
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce Development and Inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Workforce Development and Inclusion

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Workforce Development and Inclusion
Freedom of association and collective bargaining		
GRI 3: Material Topics 2021	3-3 Management of material topics	Freedom of Association and Collective Bargaining
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of Association and Collective Bargaining
Child labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Forced Labour and Modern Slavery
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Forced Labour and Modern Slavery
Forced or compulsory labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Forced Labour and Modern Slavery
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Forced Labour and Modern Slavery
Security practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Conflict and Security
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Conflict and Security
Rights of Indigenous peoples		
GRI 3: Material Topics 2021	3-3 Management of material topics	Land and Resource Rights
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of Indigenous peoples	Land and Resource Rights
	12.11.1: Additional Sector Recommendations • Describe the community development programs that are intended to enhance positive impacts for Indigenous peoples, including the approach to providing employment, procurement, and training opportunities • Describe the approach to engaging with Indigenous peoples.	Land and Resource Rights
	12.11.2: Additional Sector Recommendations Describe the identified incidents of violations involving the rights of Indigenous peoples.	Land and Resource Rights
	12.11.3: Additional Sector Recommendations List the locations of operations where indigenous peoples are present or affected by activities of the organization.	Land and Resource Rights
	12.11.4: Additional Sector Recommendations Report if the organization has been involved in a process of seeking free, prior, and informed consent (FPIC) from Indigenous peoples for any of the organization's activities.	Land and Resource Rights
Local communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Local Communitites
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Local Communitites
	413-2 Operations with significant actual and potential negative impacts on local communities	Local Communitites

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION
SS 12.9 Local communities Additional Sector Recommendations	**12.9.1: Additional Sector Recommendations** • Describe the approach to identifying stakeholders within local communities and to engaging with them • List the vulnerable groups that the organization has identified within local communities • List any collective or individual rights that the organization has identified that are of particular concern for local communities • Describe the approach to engaging with vulnerable groups.	Local Communitites
SS 12.9 Local communities Additional Sector Recommendations	**12.9.4: Additional Sector Recommendations** Report the number and type of grievances from local communities identified.	Local Communitites
Supplier social assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Forced Labour and Modern Slavery
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Forced Labour and Modern Slavery
Public policy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Public Policy
GRI 415: Public Policy 2016	415-1 Political contributions	Public Policy
SS 12.22 Public Policy	**12.22.1: Additional Sector Recommendations** • Describe the organization's stance on significant issues that are the focus of its participation in public policy development and lobbying; and any differences between these positions and its stated policies, goals, or other public positions • Report whether the organization is a member of, or contributes to, any representative associations or committees that participate in public policy development and lobbying.	Public Policy
Land and resource rights		

N/A	**12.10.1: Additional Sector Recommendations**
	• Describe the approach to engaging with affected vulnerable groups, including:
	  • how the organization seeks to ensure meaningful engagement;
	  • how the organization seeks to ensure safe and equitable gender participation.
	• Describe the policies or commitments to providing remediation to local communities or individuals subject to involuntary resettlement.
		Land and Resource Rights

Asset integrity and critical incident management		
N/A	**12.13.3: Additional Sector Recommendations** Report the number of critical incidents in the reporting period and describe their impacts.	Workplace Health and Safety
GRI 306: Waste 2016 (Disclosure 306-3 Significant Spills Only)	306-3: Significant Spills Total number and total volume of recorded significant spills. "The following additional information for each spill that was reported in the organization's financial statements:" • Location of spill; • Volume of spill; • Material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization); • Impacts of significant spills.	Waste Management

ASIC Australian Securities and Investments Commission

ASX Australian Securities Exchange

BBAC Barada Barna Aboriginal Corporation

BMC BHP Mitsui Coal Pty Ltd

CHMP Cultural Heritage Management Plan

CHPP Coal Handling and Processing Plant

CQU Central Queensland University

CSEP Community and Stakeholder Engagement Plan

CSR Corporate Social Responsibility

CQMRG Central Queensland Mining Rehabilitation Group

DES Queensland Department of Environment and Science

EA Environmental Authority

EAP Employee Assistance Program

EBA Enterprise bargaining agreements

EEO Equal Employment Opportunity

EIA Environmental Impact Assessment

EITI Extractive Industry Transparency Initiative

ERP Emergency Response Plan

ERT Emergency Response Team

ESG Environment, Social and Governance

FIFO Fly In Fly Out

FPIC Free and Prior Informed Consent

FPRH Fitzroy Partnership for River Health

GDE Groundwater Dependent Ecosystem

GHG Greenhouse gas

GNWAC Gangali Narra Widi Aboriginal Corporation

GRI Global Reporting Initiative

IAHT Isaac Affordable Housing Trust

ILO International Labour Organization

ILUA Indigenous Land Use Agreements

IMT Incident Management Team

IRAS Isaac Rental Affordability Scheme

JORC The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves

MACC Marginal Abatement Cost Curve

MDSS Moranbah and District Support Services

NTI New to industry

OMP Offset Management Plan

PRCP Progressive Rehabilitation and Closure Plan

PHMP Principal Hazard Management Plan

QRC Queensland Resources Council

RAP Reconciliation Action Plan

ROM Run of mine

RREMP Regional Receiving Environment Monitoring Program

SHMS Safety and Health Management System

SIA Social Impact Assessment

SIMP Social Impact Management Plan

SMC Stanmore SMC Pty Ltd — previously BHP Mitsui Coal Pty Ltd (BMC) prior to acquisition by Stanmore

SSE Site Senior Executive

TCFD Taskforce on Climate-Related Financial Disclosures

TRIFR Total Recordable Injury Frequency Rate

UN United Nations

UN SDGs United Nations Sustainable Development Goals

UNFCCC United Nations Framework Convention on Climate Change

WaTERS Water Tracking and Electronic Reporting System

WHS Workplace Health and Safety

WMP Water Management Plan

Corporate Directory

DIRECTORS

Mr Dwi Suseno
Non-Executive Director and Chairman

Mr Marcelo Matos
Chief Executive Officer and Executive Director

Mr Jimmy Lim
Non-Executive Director

Mr Mark Trevan
Non-Executive Director

Mr Richard Majlinder
Non-Executive Director

Mr Brett Garland
Non-Executive Director

Mr Matthew Latimore
Non-Executive Director

Ms Caroline Chan
Non-Executive Director

SECRETARY

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