

Investment Principles for Best-in-Class Coal Companies



Recognizing that environmental, social and governance transparency and disclosure is increasingly important to investors, we have advanced principles to provide portfolio managers, banks and governance committees a means of comparing coal investments.

Coal is expected to be an essential source of global electricity generation and steelmaking for many decades to come. Today's clean coal technologies are capable of reducing sulfur dioxide, nitrogen oxides, particulate matter, mercury and other emissions by 90 to 99 percent, enabling substantial improvement in air quality, even as coal use has greatly increased. High-efficiency, low-emissions plants reduce carbon dioxide emission rates by 20 to 30 percent compared to a less efficient plant of the same size. Longer-term investments in next-generation carbon capture, use and storage technologies are necessary to transition to the ultimate goal of near-zero emissions from coal.

With energy being vital to life, and future energy needs heavily reliant on coal, we submit that investors consider the following principles to assess whether their target investment companies meet the vast majority of the following standards consistent with best-in-class coal companies.

Sustainable Mining

- Operate safe workplaces, commit to continuous improvement in safety and health practices and performance, and establish safety as a top priority principle.
- Maximize resource recovery.
- Seek ongoing improvement in environmental performance.
- Disclose which mines provide mountaintop-removal-free production.
- Commit to restoring mined lands for generations that follow.
- Respect human rights and indigenous people who are potentially impacted by mining activities.

Essential for Electricity and Steelmaking

- Drive partnerships and policy and work with stakeholders to recognize coal's essential role in electricity generation and steelmaking.
- Engage with government, academia and other stakeholders to address major energy challenges.

Advanced Coal Technologies

- Support greater development and deployment of advanced coal technologies and next-generation carbon capture, use and storage technologies.
- Support and drive policies to achieve the goal of near-zero emissions in the world's next-generation coal-based electricity generation fleet.

Peabody is the leading global pure-play coal company and a member of the Fortune 500, serving power and steel customers in more than 25 countries on six continents. The company offers significant scale, high-quality assets, and diversity in geography and products. Peabody is guided by seven core values: safety, customer focus, leadership, people, excellence, integrity and sustainability.



For more information, visit [PeabodyEnergy.com](https://www.PeabodyEnergy.com)