

OUR SOCIAL APPROACH

Our social approach is grounded in our belief that not only our products, but our people, are key to a better business and a better society.

Energy is essential to modern living, reduced poverty, longer lives and powerful economies. Within the energy mix, fossil fuels satisfy approximately 80 percent of the world's primary energy demand. Thermal coal fuels more of the world's electricity than any other source with advantages in cost, scale and reliability. Thermal coal is also an important source of energy for the global production of cement used in concrete, and metallurgical coal is a required component in new steel production. Together, steel and concrete provide key construction materials for building resilient infrastructure including skyscrapers and communications and transportation systems that support industrialization and urbanization. Simply put, we believe our product is beneficial to society, and our company is valuable to our many stakeholders.

At Peabody, we begin by creating a strong, united workforce with a commitment to safety as a way of life. Safety is our first value and leading measure of excellence, and our governing [Safety Principles](#) apply to our employees, contractors, visitors and vendors at our sites, and to any location where an employee is engaged in work activities. We approach safety with both vigilance and humility, understanding that incident-free workplaces can be achieved only by accountability and continuous improvement at all levels of our organization.

We seek a workforce that is comprised of diverse backgrounds, thoughts and experiences. Our company strives to attract and retain the best people, develop their potential and align their skills to important initiatives and activities. We believe in fostering an inclusive work environment built on mutual trust, respect and engagement. And we invest in our employees through health and wellness programs, competitive total rewards and development opportunities. The company's inclusion programs are formalized in policy and practice and are embedded in our Equal Employment Opportunity policy and our [Code of Business Conduct and Ethics](#).

Empowered employees have the ability to empower others. Across our global platform, we work to improve lives through economic benefits, targeted corporate giving and valuable volunteer hours in support of energy, the environment and those causes most significant to the communities in which we operate.

Target #4
Protect against work-related fatalities.



North Antelope Rochelle Mine

Global Safety Results

In 2018, Peabody reported a global Total Recordable Injury Frequency Rate (TRIFR) of 1.45 per 200,000 hours worked. This compares favorably to coal mining industry averages in both the U.S. and Australia, which totaled 3.7 and 3.2, respectively.^{25,26}

Globally, Peabody decreased its TRIFR for surface operations to 0.84 per 200,000 hours worked in 2018, an improvement from the 0.94 recorded for 2017. The global underground incidence rate for 2018 was 3.35 versus 2.88 in 2017.

Our U.S.-based operations improved 12 percent from 2017 levels with a TRIFR of 1.42. Our Australian operations reported a 2018 incidence rate of 1.59 compared to 1.19 in the prior year.

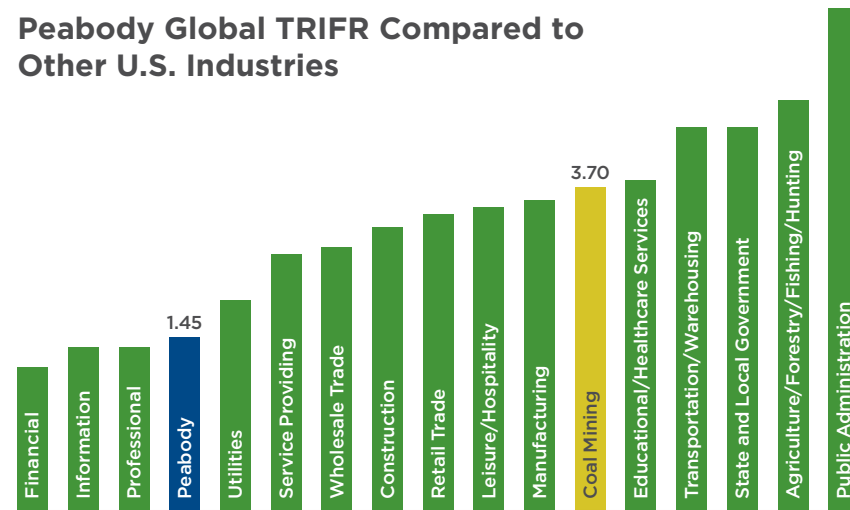
Several Peabody mines achieved outstanding safety results in 2018. In the U.S., the North Complex, which includes the Caballo and Rawhide mines in Wyoming, had only one reportable injury in 2018. In addition, the North Antelope Rochelle Mine in Wyoming, which is the world's largest coal mine and employs a workforce of more than 1,200 employees, had a 2018 TRIFR of just 0.5.

In Australia, the Middlemount and Millennium mines had a 2018 TRIFR below 1.0, and the Wilpinjong Mine had a rate of 1.03 for the year.

In 2018, a team member at the Bear Run Mine in Indiana was involved in a truck fire, and five days after the incident, he tragically suffered cardiac arrest and passed away.

The incident was thoroughly investigated to identify the root causes and pass on findings across the operations. Additional safety actions being implemented at Bear Run and other mines include upgrading

Peabody Global TRIFR Compared to Other U.S. Industries



specifications for hydraulic hoses and improving fire suppression systems in haul trucks, among others.

We continue to take actions across the enterprise that go beyond federal requirements in order to ensure the safety of our employees.

Safety a Way of Life

Peabody believes all team members must be empowered with the resources, skills and authority to perform their jobs safely. Peabody's Safety a Way of Life (SAWOL) management system sets out a risk-based framework that is the basis for continuous safety and health improvement. SAWOL, which is independently certified under the U.S. National Mining Association's CORESafety® framework, sets clear expectations for work activity at operations and is designed to foster a safety culture that promotes participation and accountability among employees, contractors, visitors and vendors at sites.

Target #5
Improve company's global TRIFR.



President Australia George J. Schuller Jr. delivers safety presentation at Metropolitan Mine.

ROLLOUT OF SAFESTART PROGRAM

Our vision is to operate safe and healthy workplaces that are incident free, and a relentless pursuit of this goal continues to fuel improvements across our safety systems, standards and practices.

In 2018, we completed the comprehensive roll out of the SafeStart program at all our U.S. mines. The program, which is already in place at many of our Australia operations, encourages greater ongoing personal awareness of potential safety risks and the development of consistent safety habits.

SafeStart complements Peabody's existing safety management system and offers practical techniques to help employees remain alert to risk both while on the job and when away from the workplace. The program encourages team members to establish self-triggers that will prompt them to stop and think when faced with situations that include potential risks.

The SafeStart program also challenges employees to analyze close calls and small errors to avoid larger incidents, look for patterns that can increase the risk of injury, and then develop habits that promote safety.



In 2018, Peabody completed the acquisition of the Shoal Creek seaborne metallurgical coal mine in Alabama. As we integrate the operation into our portfolio, Peabody's safety leaders are working alongside our new Shoal Creek team members to bring the mine's operations into alignment with Peabody's standards for safety.

SAWOL outlines the requirements to safely manage potential hazards and covers topics ranging from training and emergency management to work procedures and permits. Ultimately, SAWOL details the requirements that Peabody holds itself accountable to as validated through external audits and assurance programs. The program includes performance expectations and timelines to ensure steady progress toward the goal of achieving incident-free workplaces.

Mine safety reporting is included in Peabody's financial regulatory reports as specified by the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Peabody complies with Securities and Exchange Commission disclosures.

Safety Accomplishments

Team members from across Peabody's operations continue to illustrate safety practices that earned global and national recognition in both the U.S. and Australia. The Mines Rescue Team from our Wambo Mine in New South Wales represented Peabody at the 2018 International Mines Rescue Competition held in Ekaterinburg, Russia. The team, which previously took first place at the Australian National Mines Rescue Competition, placed among the top 10 at the international competition. This is the second time in three years that the team has competed in the international event.

Also in 2018, Peabody's Kayenta Mine in Arizona was honored with a Sentinels of Safety Award from the U.S. National Mining Association for recording the most hours without a lost-time incident in the coal-processing facility category. In addition, Peabody was recognized with a Communitas Award in the Ethical and Environmental Responsibility category for our focus on safety.

Each year, Peabody recognizes top safety performance across our mines with our annual **President's Awards**, which honor operations with the lowest TRIFR. We also encourage our employees to develop creative solutions to help make the company's mines safer through our annual **Safety and Health Innovation Awards**.

Now in its eighth year, these awards recognize smart inventions, big and small, that improve safety and often introduce cost and time efficiencies, increase productivity and may be mirrored across the company — and potentially across the industry. The program is another example of Peabody's commitment to safety and to fostering the sharing of best practices.

Employee Value Proposition

At Peabody, we offer challenging and meaningful work. We encourage a supportive and inclusive environment where employees are collaborative, knowledgeable, engaged and know that they can count on one another. Creating this type of environment is at the heart of our Employee Value Proposition, or EVP, which helps define why talented, accomplished individuals are attracted to Peabody and why our more than 7,400 employees continue to stay with the company.

We believe retaining a high-quality workforce brings continuity and sustainability to our operations. The typical Peabody employee has nearly 10 years of experience with the company, and approximately two-thirds of all Peabody employees remain employed with the company for more than five years.

About 95 percent of our team members work for mine operations in the U.S. or Australia or for regional offices in Brisbane, London and Beijing, while the remaining are employed at our global headquarters in St. Louis.

Target #6

Successfully integrate Shoal Creek Mine into portfolio, including aligning the operation with Peabody's safety standards.

Compliance and Regulation

In the U.S., Peabody incurred 2,778 MSHA inspection days across our mines, preparation plants and former active mining sites in 2018. The violation rate per day of inspection was 0.47 in 2018, a 16 percent decrease from 2017. The significant and substantial violation rate per 100 inspection hours was 1.63, down 32 percent from last year.



Peabody's Kayenta Mine was honored with a prestigious Sentinels of Safety Award from the National Mining Association in 2018.



Target #7

Actively support inclusion and diversity initiatives.

Inclusion and Diversity

Peabody is committed to creating an inclusive work environment with a global workforce that is representative of many backgrounds.

Peabody was particularly focused on inclusion and diversity efforts in 2018, with President and Chief Executive Officer Glenn Kellow in May signing the CEO Action for Diversity & Inclusion™ pledge on our behalf. The pledge has been recognized as the largest CEO-driven business commitment for inclusive workplaces, with participation from more than 600 executives globally.²⁷

By signing the pledge, we committed to focus on three specific goals: continuing to make our workplaces trusting environments for open exchange and complex conversations about diversity and inclusion; implementing and expanding unconscious bias education; and sharing diversity and inclusion practices with other companies, with the goal of continuous improvement.

As part of this effort, all Peabody employees at the vice president level and above complete an Inclusive Leadership workshop, with a focus on managing more effectively in today's workplace. Moving forward, all employees will participate in diversity training, an initiative that is part of a three-year roadmap we are developing to outline inclusion and diversity goals across the company.

These development programs are in addition to the ongoing initiatives led by the three Inclusion and Diversity Advisory Boards (IDAB) at Peabody. These boards — representing the U.S. operations, Australia operations and St. Louis corporate headquarters — champion inclusion and diversity efforts and introduce culture-enhancing activities across the company.

In 2018, nearly 17 percent of Peabody's U.S. workforce was racially or ethnically diverse, a number that we are continually working to improve at our mines. Within our U.S. operations, the El Segundo Mine in New Mexico increased its number of minority employees by 6 percent over 2017 levels, and the Gateway North Mine in Illinois increased its minority employees by 2 percent. In addition, three other U.S. mines also increased their number of minority employees in 2018.

Women in Mining

Recruiting and retaining women to roles in mining, an industry that has predominantly and historically employed men, is a focus across Peabody's operations. For instance, at our Wambo Mine in Australia, 40 percent of open-cut operators onboarded during two 2018 hiring events were female. With those additions, the number of females on Wambo's open-cut operator team increased from 20 to 27 percent.

Women represent 20 percent of our board of directors and 29 percent of our executive leadership team.

In the U.S., the Caballo Mine in Wyoming increased the percentage of its female workforce by 3 percent in 2018. The mine also increased its percentage of minority employees, as well as its number of employees who are veterans and disabled. In addition to Caballo, four other Peabody U.S. mines increased their percentage of female employees in 2018.

Women represent 20 percent of board of directors and 29 percent of our executive leadership team. In addition, women comprise 13 percent of vice president and above roles and nearly 10 percent of our total workforce globally.

Total Rewards

Peabody employees are rewarded through a variety of programs, including a competitive salary, benefits package and results-based incentives. In addition, the company offers savings and retirement benefits, paid time off and work flexibility options. In December 2018, Peabody launched a Total Rewards website to provide employees with an up-to-date look at their benefits offerings and various resources to assist employees in understanding and maximizing their rewards.

Target #8

Advance employee capabilities through leader development programs and other opportunities.

Health and Wellness

Peabody's emphasis on healthy living is a natural complement to our safety culture. We provide our employees with health care benefits that are competitive within the industry and among the majority of large employers.

In the U.S., we offer a medical plan that can be paired with a health savings account to more fully engage employees in their own health and wellness decisions. Peabody also provides advocacy services and tools to help employees navigate their health care choices and become educated healthcare consumers. In addition, Peabody introduced in 2018 telemedicine services for employees enrolled in our medical plans. In Australia, employees' universal health care coverage is supplemented with Peabody's "whole approach" remuneration package.

Globally, Peabody provides a variety of health and wellness programs including annual preventive care incentives, on-site flu vaccinations, mammography screenings, tobacco cessation coaching, weight loss support, nutritional counseling and a wide variety of tools for other life management issues through our Employee Assistance Program.

Learning and Development

Peabody offers a variety of learning events, including mentoring and development programs to aid our employees in their career growth. During the past five years, 22 percent of open positions and 83 percent of director and above positions have been filled by internal candidates through promotions and lateral career development opportunities.

Peabody has offered development programs for managers and supervisors since 2012. These programs are sponsored and facilitated by company leaders, and participants are trained on skills and tools that can be applied immediately in the workplace. Since the launch, 766 employees have completed the program with 69 percent of these participants still actively employed by Peabody.

In 2017, we added a Leader Development Program for directors and above, focused on areas such as increasing strategic leadership skills, building business acumen, improving communication skills and putting the Peabody values into action.

Target #9
Expand company and employee engagement in the communities in which we operate.

The program also helps leaders create cross-functional relationships with team members from across Peabody's operations, which promotes diversity of thought, increases knowledge sharing and collaboration across boundaries and enhances innovation. Since the launch, 38 team members have completed the Leader Development Program, with 25 more invited to participate in 2019.

To provide additional development support for all employees, Peabody in July 2018 launched an employee-focused initiative, called #DevelopYou, to encourage team members to take advantage of the development resources available to them as Peabody employees. A range of tools and resources were highlighted, including workshops and webinars on creating meaningful development plans, and employees were encouraged to commit to engage in at least one development activity.

Award-Winning Employer

Peabody's commitment to being an employer of choice received recognition from global organizations in 2018. We were named "Employer of the Year – Energy & Natural Resources" by United Kingdom-based Corporate LiveWire, which recognized employers for their use of technology, sustainable development and ethical practice.

Peabody's Human Resources team and their business partners received a BEST Award from the Association for Talent Development for the use of talent development as a strategic business tool to get results and achieve enterprise-wide success. In addition, Peabody's Australia Human Resources team won the Workplace Relations Award from the Australian HR Institute for the Moorvale Mine Direct Engagement Model.

Benefiting our Communities

At Peabody, we provide an essential product that enables economic prosperity and a better quality of life for individuals and communities worldwide. We also are providing employment opportunities, payroll taxes, coal royalties and charitable contributions for the local communities where our employees live and work. Together, with economic activity generated throughout the value chain, we injected \$11.5 billion in direct and indirect economic benefits into the communities where we operated in 2018. This consists of \$4.4 billion in direct contributions that create jobs and fuel prosperity, including wages, taxes, capital investments and vendor contracts.

In 2018, we distributed \$1.4 million in philanthropic funding and scholarships. Our giving is amplified by the donations and volunteer hours generously contributed by our workforce, which are eligible for our charitable match program, allowing us to support the organizations and causes that are important to our employees.

In 2018, Peabody continued a legacy of supporting the United Way of Greater St. Louis. Employees volunteered nearly 250 hours to United Way-supported agencies and pledged funds that surpassed the 2017 United Way campaign by more than \$24,000. The United Way of Greater St. Louis funds more than 160 partner agencies that provide one in three area people with critical services.



EVP and CFO Amy Schwetz speaks at the American Heart Association's 2019 St. Louis Go Red for Women Luncheon. The luncheon serves as the cornerstone event for the Go Red for Women movement in local communities.

EMPOWERING WOMEN IN OUR COMMUNITIES

Peabody's legacy of giving back to communities also includes participation in various organizations and causes. Members of our executive leadership team are active board members of organizations focused on empowering women in our communities.

Amy Schwetz, Peabody's Executive Vice President and Chief Financial Officer, took on the role of Science, Technology, Engineering and Math (STEM) Chair of the American Heart Association's St. Louis Go Red for Women initiative, a program designed to increase women's heart health awareness and serve as a catalyst for change to improve the lives of women around the globe.

The STEM event is about empowering young women to take control of their health, career and business choices and to consider a STEM career that could impact the health of all Americans.

Verona Dorch, Peabody's Executive Vice President, Chief Legal Officer, Government Affairs and Corporate Secretary, serves as a member of the board of directors for Girls Inc. of St. Louis, an organization that provides educational and cultural programs in safe environments for girls that enable them to realize their potential. Nationwide, Girls Inc. affects the lives of approximately 500,000 girls in more than 100 cities annually and has provided educational programs to millions of girls, particularly those in high-risk and under-served areas.²⁸

In addition, Verona serves on the board of the United Way of Greater St. Louis, an organization that Peabody has long supported.

Supporting Indigenous Communities

Peabody also is a proud supporter of Indigenous communities where we operate. In the U.S., Peabody's Kayenta Mine in Arizona continued to provide Navajo Nation and Hopi Tribe youth with scholarships totaling more than \$225,000 in 2018.

In addition, Peabody led a coalition to keep the Navajo Generating Station (NGS) and Kayenta Mine operating beyond 2019. Fueled by Peabody's Kayenta Mine, the Navajo Generating Station (NGS) began operating in 1974. The mine and the power plant are an economic engine, supporting 825 jobs and providing approximately 85 percent of the Hopi Tribe's annual operating budget and 22 percent of the Navajo Nation's annual general budget.

Despite aggressive efforts by an unprecedented group of stakeholders including the Navajo Nation, Hopi Tribe, union members, state and federal government officials, regulators and business groups, NGS was unable to transition to new ownership. The power plant is expected to close at the end of 2019, and a sustainability plan is in place to manage the Kayenta Mine closure and reclamation.

In Australia, we have developed programs in consultation with our Traditional Owners to give back to those communities and support economic and community development. We believe the best way we can make a difference is through start-up business development support, traineeships and job placements, apprenticeships and work experience.

In 2017, we signed two agreements with Traditional Owners which provided benefits to groups of Indigenous Australians that included trainee operator and apprentice positions as well as access to business opportunities with our company. Trainees were based at our Moorvale Mine with a cohort successfully graduating to fully-qualified operators in late 2018.

\$1.4M
Total Charitable Contributions

Community Recognition

Our support of local communities in both the U.S. and Australia earned third-party recognition and honors in 2018. Our longstanding involvement with the United Way of Greater St. Louis earned Peabody a Communitas Award for Excellence in Community Service-Community Partnerships. In addition, our Bear Run Mine in Indiana was honored in 2018 by the National Mining Association with a Good Neighbor Award, recognizing the mine's high level of community engagement.

In Australia, the Wilpinjong Mine won a Supportive Employer Award for its aid of the Rural Fire Service during bush fires that devastated the mid-western region of New South Wales in February 2017. Peabody volunteers operated fire trucks and provided on-the-ground coordination throughout the fires.

Target #10
Report on Peabody's continuous improvement plan as part of our actions to support the UN Global Compact.

Peabody Charitable Contributions

(Dollars in Thousands)

Art and Culture	\$120
Civic and Public Affairs	\$90
Community and Economic Development	\$136
Disaster Relief	\$43
Education: K-12	\$49
Employee Matching Gift Programs	\$286
Energy and Mining Education	\$22
Environmental	\$34
Health and Social Services	\$89
Higher Education	\$26
Scholarships	\$242
Technology Research	\$250
Other	\$27
GRAND TOTAL	\$1,414



Employees gather outside Peabody corporate headquarters in St. Louis to support President and CEO Glenn Kellow in the Fit2Be Cancer Free 2018 CEO Fitness Challenge.

PEABODY TAKES STEPS TOWARD CANCER PREVENTION

Peabody President and Chief Executive Officer Glenn Kellow is uniting with other executives from across the U.S. to encourage colleagues, friends and the community to get active.

In 2018, Glenn took part in the American Cancer Society's Fit2Be Cancer Free 2018 CEOs Challenge, a virtual step-tracking challenge that pits executives from across the country against each other in a friendly competition focused on motivating employees to embrace healthier lifestyles. More than 100 Peabody employees joined Glenn in a walk around downtown St. Louis.

Glenn participated in the challenge once again in 2019, and joined the board of the Missouri-St. Louis chapter of CEOs Against Cancer, an organization that brings together the most influential chief executives with the resources of the American Cancer Society to build public awareness around cancer and empower employees to join the fight against cancer.

CEOs Against Cancer is made up of executives from Fortune 1000 companies as well as other corporations with large national employee bases, an elite group that represents millions of working professionals from diverse industries nationwide.²⁹