2019 PERFORMANCE REVIEW

2019 TARGET STATUS PERFORMANCE OVERVIEW Reclaim at least one Peabody graded 3,386 acres compared to 3,182 acres disturbed in graded acre for each acre 2019, or 1.06 acres for every acre disturbed. Graded means returning of land disturbed due to the land to the final contour grading prior to soil replacement. In total, mining activity. the company restored 2,984 acres of mined lands. Conserve energy and reduce In 2019, Peabody reduced its global greenhouse gas intensity by greenhouse gas intensity at 7.5 percent, driven by a 34 percent reduction in emission intensity operations where possible in Australia. through energy efficiency and other leading practices. **Continue support for** Peabody continued to serve in leadership or membership positions in low-emissions projects more than a half dozen organizations that emphasize the development and partnerships. and deployment of advanced technologies. In addition, the company made a \$3 million investment in Arq technology in 2019 to advance a novel approach to coal-to-oil products that creates a very low sulfur transportation fuel. Peabody had no fatalities at any of its operated mines in 2019. Tragically, **Protect against** work-related fatalities. a fatality did occur at the independently operated Middlemount Mine joint venture, which Peabody has a 50 percent equity interest. Improve the Peabody reported a TRIFR of 1.64 per 200,000 hours worked. company's global Total The result is a 13 percent increase in the company's TRIFR versus 2018, reflecting the integration of the Shoal Creek Mine following the **Recordable Injury** December 2018 acquisition by Peabody. Frequency Rate (TRIFR). **Successfully integrate Shoal** Under Peabody's ownership, Shoal Creek's 2019 TRIFR improved Creek Mine into portfolio, approximately 47 percent from 2018 levels, though still exceeded the including aligning the 2019 average for Peabody's underground operations. The company's operation with Peabody's safety leaders continue to work alongside our Shoal Creek team safety standards. members with an emphasis on high-hazard activities, enhanced personal protective equipment and vehicle safety modifications. **Actively support inclusion** Initiatives included implementing inclusive leader and unconscious and diversity initiatives. bias education to enable the workforce to begin recognizing,

acknowledging and minimizing any potential blind spots in interactions with others, while managing more effectively in today's workplace. In 2019, training sessions were held for all people leaders in the U.S. and Australia, totaling more than 500 participants. Of those participants who completed the post-training evaluation, 92 percent reported a deeper understanding of unconscious bias and 85 percent agreed the

activities and exercises aided in their development.

2019 TARGET

STATUS

PERFORMANCE OVERVIEW

Advance employee capabilities through leader development programs and other opportunities.



Peabody offers a variety of learning events, including mentoring and development programs to aid our employees in their career growth. The Leader Development Program for directors and above focuses on areas such as increasing strategic leadership skills, building business acumen, improving communication skills and putting the Peabody values into action. All participants of the 2019 program who responded to the post-program survey reported the session increased cross-functional knowledge. Peabody also offers a formal mentoring program to allow employees to gain knowledge and perspectives outside of individual areas of expertise. In total, approximately 89 percent of participant responders indicated that they were satisfied with the experience.

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



Peabody distributed \$1.2 million in philanthropic cash contributions globally in 2019 through corporate giving and our charitable match program. In addition, our workforce volunteered some 800 hours equating to more than \$20,000 of in-kind value. While cash contributions were approximately 17 percent below prior year levels, the team continued robust engagement with those communities near our operations, including informational outreach to local stakeholders regarding the proposed PRB/Colorado joint venture with Arch.

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



Peabody submitted its inaugural <u>Communications on Progress</u> to the UN Global Compact and included a copy within this ESG Report.

Achieve a safe return to operations at the North Goonyella Mine.



Safety remains priority one, and no incidents have occurred in relation to the fire or subsequent recovery activities. Peabody is currently commencing a commercial process in tandem with the ongoing mine development plan for North Goonyella.

Engage with governments, academia, community and other stakeholders to support constructive and informed dialogue.



Robust engagement included advocating for the sustainable case for coal in a keynote session at CERAWeek; discussing improved alternatives to fossil fuel divestment with key stakeholders; sharing learnings of the North Goonyella incident with industry, government and community leaders; recognizing key academic, advocacy and industry leaders through the Peabody Clean Coal Leadership Awards; and engaging on a broad level with shareholders representing the vast majority of holdings on Peabody's approach to ESG.