
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.

Peabody's policies and practices concerning human rights are also supported by our Code of Business Conduct and Ethics, are in line with the Universal Declaration of Human Rights and apply to all employees, visitors and contractors at our operations globally. The company encourages and informs employees of their ability and obligation to report concerns of misconduct, which would include human rights violations, through a strong program of workplace communications and online training tools. Our board of directors has established procedures for receiving, retaining and investigating reported violations.



North Antelope Rochelle Mine



Global Safety Results

In 2019, Peabody reported a global Total Recordable Injury Frequency Rate (TRIFR) of 1.64 per 200,000 hours worked compared to 1.45 in the prior year. This marked the eighth successive year with an incident rate below 2.00 and compares favorably to coal mining industry averages in both the U.S. and Australia, which have among the most rigorous mining safety procedures, health and safety standards, and education and training programs in the world.

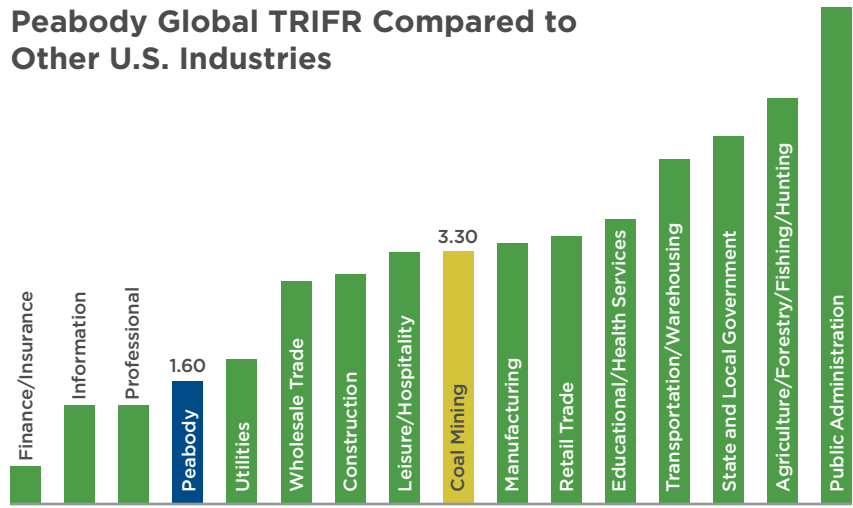
Peabody's global TRIFR includes employee and contractor injuries that require medical treatment, not only those resulting in lost work time. Incident reporting mechanisms in the U.S. and Australia are refined and tend to have lower thresholds for severity than those in developing nations.

The company's TRIFR for surface operations totaled 0.91, an 8 percent increase over 2018 results. Peabody's global underground incidence rate was 3.69 versus 3.35 in 2018, and reflects the integration of the Shoal Creek Mine following the December 2018 acquisition by Peabody.

Peabody's safety leaders continue to work alongside our Shoal Creek team members to bring the mine's operations into alignment with Peabody's standards for safety. Activities include an emphasis on high-hazard activities, enhanced personal protective equipment and vehicle safety modifications. As a result, Shoal Creek's 2019 TRIFR improved approximately 47 percent from 2018 levels.

The TRIFR for our U.S.-based operations, including Shoal Creek, was 1.75 compared to 1.42 in the prior year, while our Australian operations reported a 2019 incidence rate in line with the prior year. Several mines delivered strong safety performance

Peabody Global TRIFR Compared to Other U.S. Industries



including the Twentymile Mine in Colorado with an incidence rate of 1.39 in 2019. In addition, the Somerville Complex in Indiana achieved an incidence rate of 0.24 with just one reportable injury. Also of note, Peabody's Wilpinjong Mine in New South Wales recorded an incidence rate of 0.55 in 2019.

Peabody did not have any fatalities at its operated mines in 2019. Tragically, following a highwall failure, a fatality did occur at the independently operated Middlemount Mine joint venture, which Peabody has a 50 percent equity interest, and this fatality is reflected in Peabody's 2019 safety results.

We continue to take actions across the enterprise to ensure the safety of all individuals at our operations with an emphasis on injury severity rates and preventing significant near misses. All employees, contractors and visitors at our operations receive a safety briefing prior to entering the mine, including safety procedures and emergency protocols specific to the operation. In addition, group meetings at sites and offices begin with a safety share to help embed safety as a way of life.

Target #3
Improve the company's strong safety performance.

Peabody Way: Safety and Sustainability Management System Standard

Peabody believes all team members must be empowered with the resources, skills and authority to perform their jobs safely. Peabody's Safety and Sustainability Management System sets out a risk-based framework that is the basis for continuous health, safety and environmental stewardship improvement. The Safety and Sustainability management system is aligned with the U.S. National Mining Association's CORESafety® framework and is independently audited. The management system sets clear expectations for work activity at operations and is designed to foster a culture that promotes participation and accountability among employees, contractors, visitors and vendors at sites.

The Safety and Sustainability Management System outlines the requirements to safely manage potential hazards and covers topics ranging from training and emergency management to work procedures and permits. Ultimately, the management system 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.

Safety Accomplishments

Peabody's operations illustrate safety practices that continue to earn global and national recognition in both the U.S. and Australia. In 2019, Peabody's Rawhide Mine was honored with the prestigious Sentinels of Safety Award from the U.S. National Mining Association for recording the most hours worked without a lost-time incident in the small coal processing category.

Peabody also 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 ideas to improve safety practices through our annual [Safety and Health Innovation Awards](#).

Now in its ninth 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.

PEABODY TAKES PRECAUTIONS TO SUPPORT TEAMS DURING COVID-19

As part of our critical energy and supply infrastructure, Peabody mines continue to support coal-fueled electric power generation and essential steelmaking. We are monitoring the situation daily and are working to keep our teams and broader communities healthy by reducing potential risks and continuing to implement and enhance robust safety protocols in compliance with federal, state and local requirements. While our operations have been designated as essential, our mines will only continue to operate in instances where it is safe and economic to do so.

We are taking strong precautions to support all of those who continue to work in roles across our platform, including temperature checks and health screens; paid COVID-19 leave; enhanced cleaning and sterilization practices; expanded use of personal protective equipment; social distancing boundaries and staggered shifts wherever possible; routine communication to employees on worksite protocols and notification of confirmed or suspected cases; and guidance on incorporating sound safety measures both at work and when away.

Employee assistance channels are also available to our people and include confidential counseling and support to employees and their families, at no cost to the employee. Peabody has also extended aid to our local communities with teams at several sites donating protective masks and other needed equipment to local healthcare providers.

Employee Value Proposition

At Peabody, we offer meaningful and rewarding work. We encourage an environment that is inclusive, collaborative and engaging, and our people work together to support each other to achieve business outcomes. We promote two-way communication that is open and transparent, and fosters mutual trust and respect. The company routinely gathers feedback from team members to identify opportunities to further enhance employee satisfaction and improve alignment with the business strategy.

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 employees continue to stay with the company. Employees have identified challenge, safety and teamwork as among the key elements of Peabody's EVP.

We believe retaining a high-quality workforce brings continuity and sustainability to our operations. The typical Peabody employee has approximately 9 years of experience with the company, and more than 60 percent of all Peabody employees remain employed with the company for more than five years.

About 92 percent of our team members work for mine operations in the U.S. or Australia, while the remaining are employed at our global headquarters in St. Louis or other regional offices.

Inclusion and Diversity

Our people are at the core of Peabody's ability to deliver business results and benefit our communities. We recognize that we must leverage the power of inclusion and diversity (I&D) to continue to attract and retain the best people.

PEABODY NAMES FIRST FEMALE OPERATIONS GENERAL MANAGER

In 2019, Peabody named Rae O'Brien as the general manager of the Metropolitan Mine in New South Wales. O'Brien has served in various senior roles across the mining industry over the past 25 years, and her experience leading teams, improving on-site processes and implementing best practice analysis is an asset to the Metropolitan operation.

Prior to joining Peabody, Rae developed the technical framework for Glencore Coal Assets Australia, including governance of principal standards for geology, strata management, mine planning/design, ventilation, gas, drill and blast, and surveying functions. As a longwall production superintendent with Centennial's Springvale mine, she implemented the first 305 meter longwall in Australia - the widest in the country at that time - and managed the introduction of longwall automation with longwall crews.

Rae is a strong advocate for inclusion and diversity. She has paved the way as the first female in New South Wales to gain the 2nd Class Mine Manager's certificate, the first Underground Female Production Superintendent, and the first female to gain her Underground Coal Mine Manager's certificate.



In 2019, about 12 percent of Peabody's U.S. workforce was racially or ethnically diverse. This is a number that reflects the demographic nature of the largely remote locations of our mining operations — and one that we are continually working to improve. At Peabody's headquarters in St. Louis, approximately one-quarter of the workforce is racially or ethnically diverse. Racial and ethnic diversity statistics are not available for Peabody's workforce in Australia due to regulatory restrictions on employee disclosure.

Recruiting and retaining women to roles in mining, an industry that has predominantly and historically employed men, is also a focus across the global organization. As of year-end 2019, women comprised approximately 15 percent of VP and above roles and 18 percent of director and above roles. At our St. Louis headquarters and Brisbane regional office, women totaled 45 percent and 35 percent of the employee base, respectively. In addition, women currently represent 25 percent of our board of directors.

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Peabody has outlined a number of strategic initiatives to further guide the company in key I&D focus areas. In the coming years, we look to identify gaps, challenges and opportunities; define key metrics for success; and establish training and implementation plans with the ultimate goal of full systemic integration of I&D strategic initiatives across all aspects of our company.

In support of these actions, 2019 marked the first full year of implementation following Peabody's President and Chief Executive Office Glenn Kellow's prior-year signing of the CEO Action for Diversity & Inclusion™ pledge. This pledge has been recognized as the largest CEO-driven business commitment for inclusive workplaces, with participation from more than 600 executives globally.

As part of this pledge, Peabody focused on implementing inclusive leader and unconscious bias education to enable our workforce to begin recognizing, acknowledging, and minimizing any potential blind spots in interactions with others, while managing more effectively in today's workplace.



Shoal Creek Mine

Target #4

Continue journey toward greater awareness and actions in support of workforce diversity.

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.

In addition, employees at Peabody's St. Louis headquarters participated in the CEO Action Check Your Blind Spots unconscious bias bus tour. The interactive bus featured innovative activities with virtual reality and gaming technology to allow employees to better understand and recognize unconscious biases that may influence behavior.

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.

Total Rewards and Workplace Flexibility

Peabody employees are rewarded through a variety of programs, including a competitive salary, benefits package and results-based incentives. For 2019, the median Peabody employee earned \$113,592, which is more than double the national U.S. average wage.²⁶ The company also offers savings and retirement benefits and paid time off.

Peabody recognizes the importance of work/life balance and strives to provide employees flexibility to manage their work and personal demands. Available options include, part-time employment, modified work schedules, redistributed summer hours and telecommuting. Options vary by location and are dependent on business needs.

In 2019, the company added a paid parental leave program for full-time U.S. employees. While the company previously offered birth mothers paid time off through a short-term disability benefit, the new paid parental leave program allows for additional time off, beyond the short-term disability benefit, to both parents after the birth or adoption of a child.

With this new benefit, U.S. employees may receive six weeks of paid parental leave at 100 percent base pay as the primary caregiver or two weeks of paid parental leave at 100 percent base pay as a secondary caregiver. When combined with a standard short-term disability/recovery benefit, birth mothers now receive 12 to 14 weeks of paid leave.

Employees in Australia are eligible for the national Paid Parental Leave program, which provides eligible working parents up to 18 weeks of paid time off from work to care for a newborn or recently adopted child.

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.



AWARD-WINNING EMPLOYER

Peabody was named "Employer of the Year — Energy and Natural Resources" in the 2019 Innovation and Excellence Awards by United Kingdom-based Corporate LiveWire. The award recognizes employers for their use of technology, sustainable development and ethical practices.

Telemedicine services are also available 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, approximately 32 percent of open positions and 72 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.

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. 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.

Peabody also offers a formal cross-functional mentoring program to allow employees to gain knowledge and perspectives outside of individual areas of expertise. The program helps to build a strong peer network, gain a better understanding of business needs and establish individual development plans with feedback and support from company leaders.

To provide additional development support for all employees, Peabody launched an employee-focused initiative, called #DevelopYou, to encourage team members to take advantage of the development resources available to them as Peabody employees. This online learning and development platform offers a range of tools and resources, including workshops and webinars on creating meaningful development plans.

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 \$10.7 billion in indirect economic benefits into the communities where we operated in 2019. This consists of \$4.1 billion in direct contributions that create jobs and strengthen communities, including wages, taxes, capital investments and vendor contracts.

In 2019, we distributed \$1.2 million in philanthropic cash contributions globally through corporate giving and our charitable match program, which allows us to support the organizations and causes important to our employees. In addition, our workforce generously volunteered some 800 hours equating to more than \$20,000 of in-kind value.²⁷

Supporting Indigenous Communities

Peabody has respect for the indigenous people where we operate and maintains strong relationships and communication with those communities throughout the mining process.

In the U.S., Peabody is moving toward final reclamation of the Black Mesa/Kayenta Mine complex in Arizona that previously served as a large employer and economic engine for the Navajo and Hopi Tribes for decades. Progressive reclamation has resulted in restoration of more than 75 percent of lands disturbed across the complex. In coming years, all lands will be restored for highly productive use in line with a comprehensive sustainability plan and ongoing involvement from the landowners - the Navajo and Hopi Tribes.

In Australia, we have developed programs in consultation with 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.

Peabody 2019 Charitable Contributions

(in U.S. Dollars)

