



NEW HOPE
GROUP



Energise...

2020 **SUSTAINABILITY REPORT**

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New Hope Corporation Limited 2020 Sustainability Report

New Hope Group is a diverse Australian energy company with operations in coal mining, exploration, port operation, oil and agriculture. We have a robust business model based on efficient and cost-competitive production of high-quality, low emission coal that is supplied to long standing customers in both Australia and in a diverse range of Asian markets.

Our business is underpinned by continued demand for high calorific-value Australian thermal coal in our key export markets. Regional economic growth in Southeast Asia is forecast to triple by 2040¹ with the International Energy Agency's (IEA) World Energy Outlook 2019² predicting energy demand to grow by almost two thirds in the same timeframe. On that assessment, coal will remain an important element of the energy mix even as supply transitions to an increased proportion of renewable sources.

Reporting Boundary and Scope


The Sustainability Report, for the period 1 August 2019 to 31 July 2020 (FY20), includes the activities and approach of New Hope Corporation Limited ('New Hope'). The following operations are included:

- Bengalla Joint Venture – Coal mining and rehabilitation
- New Acland – Coal mining and rehabilitation
- Jeebropilly – Coal mining and rehabilitation
- New Oakleigh – Rehabilitation
- Lenton Joint Venture – Care and maintenance
- North Surat – Exploration and development
- Queensland Bulk Handling – Port facility
- Bridgeport Energy Limited – Oil production and exploration
- Acland Pastoral Company – Agriculture
- Bengalla Agricultural Company – Agriculture.

As part of its sustainability strategy and framework, New Hope has considered the following:

- ASX's Corporate Governance Council Principles and Recommendations (4th Edition)
- Global Reporting Initiative's (GRI) Reporting Standards
- Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD) recommendations.



This is an interactive PDF designed to enhance your experience. The best way to view this report is with Adobe Reader. Click on the links on the contents pages or use the  home button in the footer to navigate the report.

1 IEA (2019), World Energy Outlook 2019, IEA, Paris <https://www.iea.org/reports/world-energy-outlook-2019>.

2 IEA's 2020 World Energy Outlook was released in mid-October 2020 and will be considered in the next reporting period.



Our Vision of 'energising our people, communities and customers' guides us in building a sustainable business that will support the needs of our stakeholders for generations to come.

2020 Highlights

Shareholders

EBITDA ¹
(before non regular items)

\$290M

▼ 44%

**PROFIT BEFORE
INCOME TAX ²**
(before non regular items)

\$120M

▼ 69%

**DIVIDEND TO
SHAREHOLDERS**
(fully franked)

6¢

▼ 65%

Community

**COMMUNITY
INVESTMENTS
AND DONATIONS**

\$1.6M

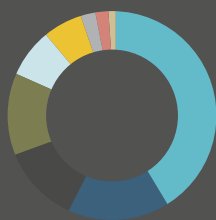
▼ 16%

**COMMUNITY
SPEND**
(with 893 local suppliers)

\$402M

▲ 8%

Customer profile



**Total segment revenue
by geographical
location**

Japan	41%
Other ³	16%
Australia	12%
China	12%
Taiwan	7%
Korea	6%
Chile	2%
India	2%
Vietnam	1%

Our people



**NUMBER OF
EMPLOYEES**

873

1 Earnings before interest, tax, depreciation and amortisation is not defined by IFRS and is a non statutory measure. This non-IFRS information has not been audited by Deloitte.

2 Net profit before and after tax and before non regular items is a non-statutory measure used by management as a primary measure to assess the financial performance and excludes non regular income and expenses incurred by the Group. A reconciliation of non regular items can be found on page 21 of the Directors Report within the Annual Report. This non-IFRS information has not been audited by Deloitte.

3 Other revenue from customer contracts relates to third party customer contracts with undisclosed geographical information.





Customers

COAL SOLD TO CUSTOMERS ⁴

11.5Mt

▲ 6%

Government and regulators

GOVERNMENT CONTRIBUTIONS

\$129.3M

▼ 47%

Environment



WATER RECYCLED

2,157ML



DISTURBED LAND REHABILITATED

248HA



TOTAL ENERGY USE ⁴

4,370,425GJ



WAGES AND BENEFITS

\$182.9M



TRIFR ⁵
(Coal business)

2.97



TRAINING AND DEVELOPMENT

\$2M



INCREASE IN FEMALE FRONTLINE EMPLOYEES

3.9%

⁴ The scope 1 and 2 GHG emissions and energy consumption data have been reported on an operational control basis. We report our scope 1 and 2 GHG emissions and energy consumption data with a one year lag due to the timing of the annual scope 1 and 2 GHG emissions and energy consumption data, which is due for submission to the Clean Energy Regulator on 31 October 2020. Our FY2020 data will therefore be disclosed in our FY2021 Sustainability Report.

⁵ Total recordable injury frequency rate.

Message from the CEO



Throughout the global pandemic, we have made careful and considered decisions to ensure the safety and wellbeing of not just our workforce but also the communities in which we operate.

Over the past year we have continued to build on our Vision of “*Empowering our People, Communities and Customers*” to build a sustainable business that will support the needs of our stakeholders for future generations.

2020 has been a year where more than ever we have had to draw strength from our core values of integrity, respect, resilience, responsibility, wellbeing and collaboration to allow us to continue to manage the business effectively while also dealing with some unique challenges.

We have always believed that our social licence to operate must be considered in every decision we make and that the way we conduct ourselves will provide the foundation for strong, sustainable and constructive relationships with all our stakeholders.

We have continued to build on our environmental, social and governance performance and this year sought feedback from a range of stakeholders to ensure the material issues they identified are considered in the way we plan and manage the business. We have also sought to show which of our material issues, and the way we manage them, relate to the UN SDGs.

Certainty of supply is also vital to the future of our business and the demand for high CV coal, combined with forecast economic growth in our key markets, means we are ideally positioned as a reliable supplier to Asia. Our robust, long-term relationships in these key markets, as well as a growing client base across Asia further illustrates the sustainable nature of the business. Importantly, our operating assets are well positioned on the global cost curve.

Our Jeebropilly mine won two 2020 industry awards for the ‘Finishing Well’ Program, and we said farewell to the workforce when operations concluded after more than 40 years. It was difficult to say good-bye to our team and the community we

coexisted with for so long, but we have done so knowing we have had a positive impact during our tenure.

Some of our other achievements this year show we have continued to have a positive impact on the communities in which we operate.

- We continued our focus on rehabilitation with a further 248 hectares of disturbed land across our sites rehabilitated.
- Our Total Recordable Injury Frequency Rate (TRIFR) for our coal business fell to 2.97, well below industry benchmarks.
- We increased our spend on training and development for our employees to \$2M, up 18%.
- Female frontline employees increased by 3.9%.
- We spent \$1.6M on initiatives benefiting 160 community organisations.
- We spent \$402M on procuring goods and services from 893 local suppliers and contractors.

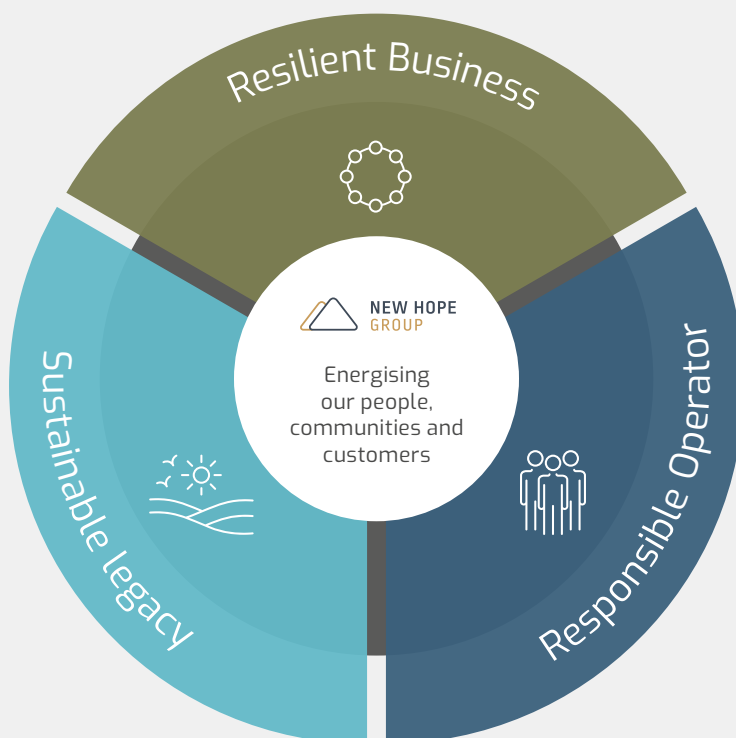
We were also presented with some challenges that tested our resilience. The COVID-19 pandemic impacted not only the markets we supply but the communities we operate in and the way we go about our daily lives. Throughout the evolving pandemic, the business made a series of considered decisions to protect the ongoing health and wellbeing of team members, minimise impacts to our operations and reduce the threat of COVID-19 entering a New Hope site and the communities in which we operate.

In FY20 we have said farewell to 150 of our New Acland team members due to the delay in approvals for the Stage 3 Project. However, we remain committed to the Project and will continue to work to gain the necessary approvals to keep the mine operating.

I am proud of the Company’s achievements and the way we have used our values to guide us through our challenges. These traits only serve to enforce our ongoing commitment to sustainability and the key role it plays in energising our people, communities and customers.

Reinhold Schmidt
Chief Executive Officer

Sustainability framework



OUR VISION

Energising our people, communities and customers.

OUR PURPOSE

To deliver long-term shareholder value through responsible investment, marketing and asset management.

OUR VALUES

New Hope Group has a set of Core Values and Leadership Commitments to guide how we work together. All team members help to shape the business by the way they apply themselves to their work and interact with others. Our Core Values exist to help us remember what New Hope Group stands for during decision making and whenever we are working for, or on behalf of, New Hope Group. They help build culture through fostering engaging relationships and a positive working environment. We show real respect for one another, do what we say we will do and ensure we do what is right.



Respect

We listen and treat others as we expect to be treated.



Integrity

We are ethical, honest and can be trusted to do the right thing.



Wellbeing

We seek to prevent harm, promote safety and enhance health.



Resilience

We are adaptable and see opportunity in change.



Responsibility

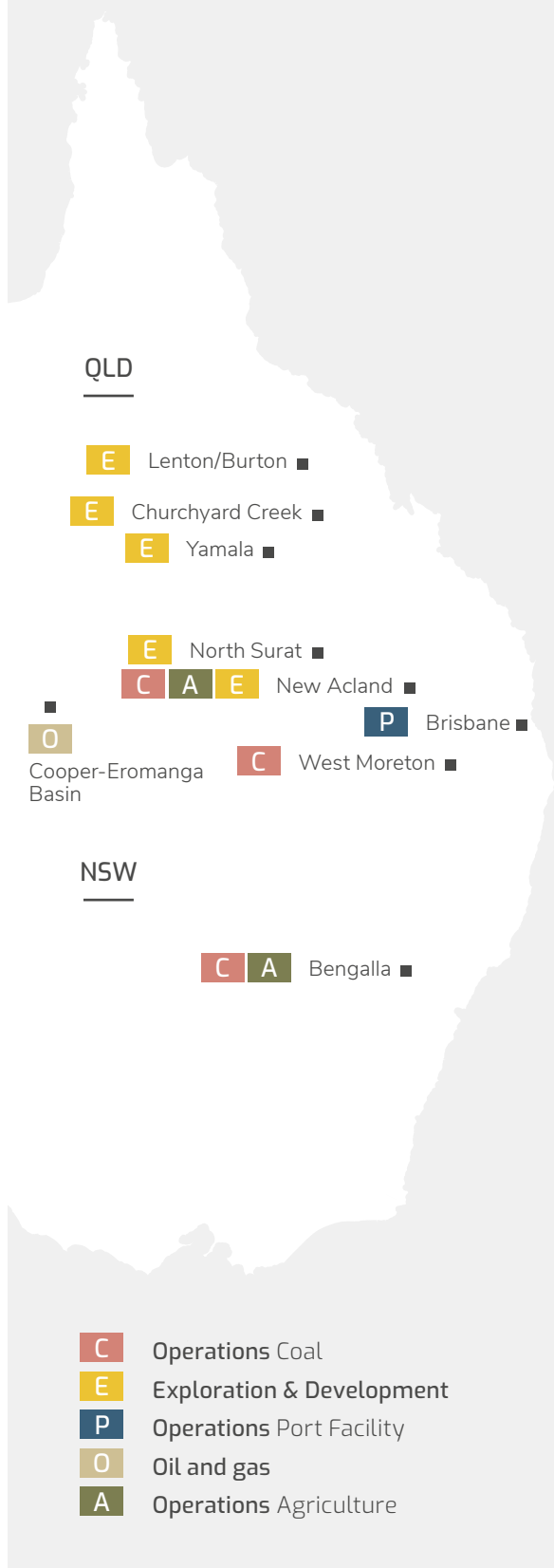
We are empowered and accountable for our actions.



Collaboration

We work together and focus on the best outcome.

Operating assets



Coal & Rehabilitation

New Acland

New Acland produced 2.8 million tonnes of thermal coal from open cut operations located north west of Oakey in Queensland.

Location

North-west of Oakey, Queensland

Operations

2002 to present

Product

Thermal coal

Mining method

Open cut, multi-thin-seam mining

Bengalla Joint Venture

Bengalla mine is a joint venture owned by New Hope (80%) and Taipower (20%), which produced 10.3 million tonnes (100% basis) of thermal coal.

Location

Hunter Valley, New South Wales

Operations

1996 to present (approvals extend to close to 2039)

Product

Thermal coal

Mining method

Open cut

West Moreton

JEEBROPILLY

Jeebropilly produced 0.2 million tonnes of thermal coal from an open cut, multiple thin seam operation located at Amberley in Queensland.

Location

Amberley, Queensland

Operations

1982 to 2019

Product

Thermal coal

Mining method

Open cut, multi-thin-seam mining

NEW OAKLEIGH

A former open cut thermal coal mine where rehabilitation activities continue.

Location

Rosewood, Queensland





Exploration & Development

Lenton

The Lenton Joint Venture is owned by New Hope (90%) and Formosa Plastics (10%) and includes the Burton mine and the Lenton development project.

Project name
Lenton Joint Venture

Location
Bowen Basin, Queensland

Project areas
Burton Mine and
Lenton Project

Product
Coking/thermal coal

Mining method
Open cut

North Surat

The North Surat project in South West Queensland covers Elimatta, Taroom, Collingwood and Woori.

Location
South West Queensland
(near Taroom and
Wandoan)

Project areas
Elimatta, Taroom,
Collingwood and Woori

Product
Thermal coal

Mining method
Open cut

Port Operation

Queensland Bulk Handling (QBH)

Queensland Bulk Handling is a 10 million tonnes per annum multi-user coal export facility located at the Port of Brisbane.

Oil and gas

Bridgeport Energy Limited

Bridgeport is an oil and gas production, development and exploration company, wholly owned by New Hope.

Agriculture

Acland Pastoral

Acland Pastoral is a 1,200 head cattle breeding and cropping operation on 10,000 hectares of land owned by New Hope, on and around our New Acland mine.

Bengalla Agricultural

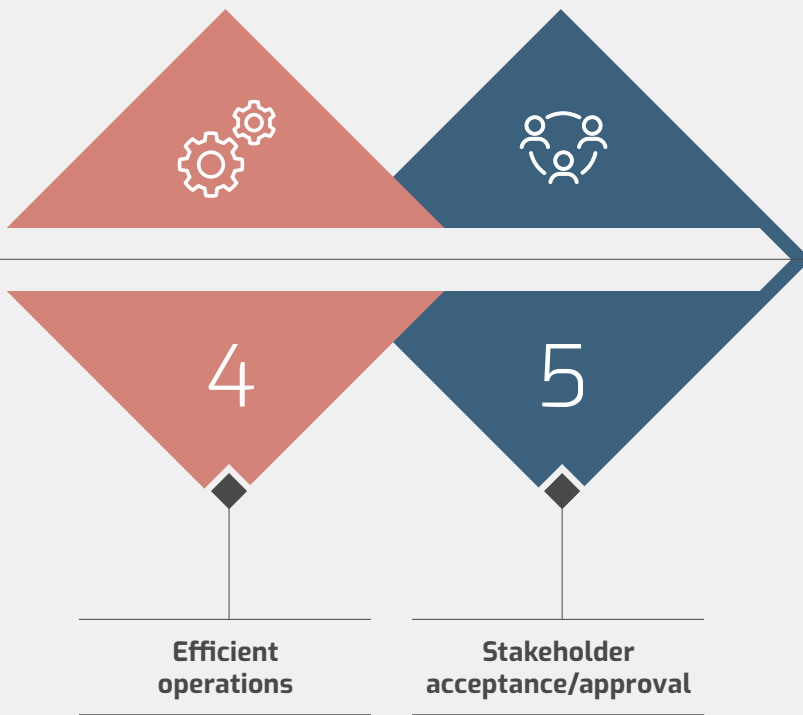
Bengalla Agricultural is a cattle grazing, and dryland and irrigated cropping operation over 800 hectares adjacent to the Bengalla mine.



How we create value

Our business model draws on these inputs to produce, transport and market coal in a safe and sustainable manner to both Australia and a growing Asian market to support regional economic growth and address energy security, reliability and sustainability requirements.





Efficient operations

- Ability to manage each step in the coal chain, from exploration and mining through to delivery for customers via our port operations
- Innovative technologies developed to improve fuel efficiency
- Recycled waste water used for dust and irrigation activities
- Integrated supply chain management delivering in full and on time
- Despatch port, with protection from most prevailing weather conditions
- Recognised as a leader in progressively rehabilitating mined land achieving productive final land use outcomes.

Stakeholder acceptance/approval

- Proactive stakeholder engagement
- Focus on community needs – employment, procurement, investment and cultural heritage
- Targeted community investment strategies and initiatives.

This translates into tangible and sustainable value for our stakeholders

INVESTORS

We generate a sustainable return for our investors, supported by responsible operational decisions that factor short, medium- and long-term variables.

EMPLOYEES

We provide our employees with economic benefits, a pathway to achieve career aspirations, and a diverse and inclusive workplace that supports their safety and wellbeing.

CUSTOMERS

We provide our customers with high-quality, reliable supply to meet their growing energy needs.

SUPPLIERS

We prioritise local suppliers, which promotes regional economic growth and supports the communities in which we operate.

COMMUNITY

We generate economic growth and employment within the areas in which we operate. We have an active focus on development of our communities through education, health and employment outcomes.

GOVERNMENT AND REGULATORS

We contribute tax, royalties and other payments to governments at federal, state and local levels.

Our approach to sustainability

Sustainability governance

New Hope's Board is responsible for sustainability performance against our business objectives, purpose and values. The Audit and Risk Committee actively monitors the strategies, processes and actions undertaken to manage sustainability risks, opportunities and performance, on behalf of the Board.

The implementation of our sustainability priorities is driven by senior management. Progress is reviewed and discussed by our executives on an ongoing basis. To support this, our risk management framework guides how we identify, assess, manage and escalate risks.

Engaging with our stakeholders

New Hope is committed to clear, meaningful and transparent engagement between the business at corporate and site levels, and with our stakeholders. This engagement informs our understanding of stakeholder perceptions and issues, and enables the business to respond in a manner that develops trust in New Hope and its strategic objectives.

In FY20, New Hope undertook its first exercise to understand external stakeholder perspectives relating to our material sustainability issues. This process was facilitated by an independent consultant, to confirm that our material issues continue to be representative of our material risks and opportunities.

As part of the process, we engaged with a diverse range of stakeholders including government, community groups, industry associations, commercial partners, financiers, and indigenous traditional owners.

Stakeholders were asked open-ended questions based on New Hope's 2019 sustainability priority areas and broader sectoral issues. The aim of these discussions was to understand the most important sustainability issues to each stakeholder and their perspectives on both the positive and negative impacts of New Hope's activities on the environment, employees, local communities, and broader society.

The interviews took place in the first quarter of 2020, at a time when the impacts of the COVID-19 pandemic were emerging. The timing of these interviews is reflected in some of the responses about the issues stakeholders felt were important to New Hope, and resulted in COVID-19 being classified as a material issue for New Hope in this reporting period.

The engagement exercise found a high degree of alignment amongst stakeholder groups about the sustainability issues relevant to New Hope. The process confirmed that many of our previous material issues have remained relevant and highlighted the interconnections between many of our sustainability issues.





The insights from this exercise have validated the areas of stakeholder interest in the table below and were a key input in identifying and prioritising our material issues.

Table 1: Areas of stakeholder interest

Stakeholder type	Area of interest
Employees and contractors	Safe and healthy work environment, remuneration, job security, training and learning opportunities, business strategy and ethical business conduct.
Traditional owners	Land access and management, cultural heritage, employment and education opportunities.
Local communities	Employment and procurement opportunities, training and education, environmental, social and cultural heritage impacts including groundwater, dust and noise, closure planning and community investment.
Landholders	Land management, noise, dust, groundwater, employment opportunities, and agriculture.
Customers	Product quality and reliability, pricing and logistics, and resource continuity.
Suppliers	Procurement opportunities, management of suppliers and contractors, local sourcing.
Shareholders and joint venture partners	Share price, financial returns, capital allocation, growth, ethical business conduct, risk management, business strategy, operating performance.
Financiers and insurers	Financial performance, business strategy, operational performance, share value, insurance, social licence to operate, management of climate-related risks and opportunities.
Government agencies and regulators	Government regulations, policy and compliance, mine extensions and approvals, royalties and taxes.
Industry associations	Policy and regulatory formation, industry reputation, share lessons and best practice in relation to environment, closure, health and safety, product stewardship, technology and innovation.

Defining our material issues

We report on risks and opportunities relevant to the environmental, social and governance impacts of our operations which are critical to the business and influence the decisions of stakeholders.

Our FY20 sustainability disclosures are informed by the external stakeholder engagement exercise, desktop review of current and emerging trends, and a peer benchmarking exercise facilitated by an independent consultant during the reporting period. This process helped us identify new material issues and understand and prioritise the sustainability topics that are material to New Hope and our stakeholders.

We intend to review the relevance of these issues on an annual basis to ensure we are well positioned to respond to shifting stakeholder and business priorities and expectations.

United Nations' Sustainable Development Goals

The UN SDGs include 17 global goals and 169 targets set by the United Nations, which all Member States adopted in 2015 to achieve by 2030. The UN SDGs address the global challenges we face including those related to poverty, inequality, climate, environmental degradation, prosperity, peace and justice.

The UN SDG framework provides a broadly accepted means of informing how the Australian minerals industry contributes to sustainable development through business practices, risk management and social investment.

THE SDGS RELEVANT TO NEW HOPE INCLUDE:



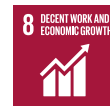
Good health and wellbeing



Gender equality



Affordable and clean energy



Decent work and economic growth



Industry, innovation and infrastructure



Responsible consumption and production



Climate action



Life on land



OUR MATERIAL ISSUES PROCESS

Our executive and senior company representatives undertook a process to identify, prioritise and validate our material issues.

STEP 1 Identification

In FY20 we undertook a detailed assessment of our material issues with the support of independent experts. This process included analysis of current and emerging sectoral and global trends, a peer benchmarking exercise, and a review of regulatory and legislative requirements and sustainability reporting standards, including the UN SDGs, ASX Corporate Governance Principles (4th Edition) and the GRI Reporting Standards. This was complemented with the external stakeholder engagement exercise outlined above.

STEP 2 Prioritisation

The list of initial material issues was discussed with New Hope's management team to identify any additional issues. Prioritisation was based on the significance of New Hope's environmental, social and governance impacts and the influence that New Hope's management of these issues has on the decisions of key stakeholders.

STEP 3 Validation

A refreshed set of material issues was presented to New Hope's Audit and Risk Committee as part of the Sustainability Reporting Framework. These material issues are grouped within three overarching pillars, recognising the interconnection between many of them.

Our material issues

The table below outlines our updated material issues with the relevant SDGs and stakeholders. The sequence of material issues does not reflect level of prioritisation or associated risks.

While many of the issues remain relevant and are consistent with those reported in FY19, a number of key additions were made in FY20, including:

- Ethical business conduct;
- Privacy and cyber security;
- Innovation;
- COVID-19; and
- Responsible supply chain.

Table 2: Material issues FY20

PILLAR	MATERIAL ISSUES	DEFINITION	RELEVANT STAKEHOLDERS	SDG	REPORT SECTION
 Resilient Business	Climate-related risks and opportunities	Identification and management of climate-related risks and opportunities including the potential impacts of changing market demands, policy and regulation and changing physical climate futures. This includes proactively assessing the resilience of the business through evaluating the future market for coal in the global primary energy mix as the world transitions to a lower carbon economy.	<ul style="list-style-type: none"> ▪ Customers ▪ Employees and contractors ▪ Financiers and insurers ▪ Local communities ▪ Shareholders and joint venture partners 	 	Climate change
	Privacy and cyber security	Managing data privacy and ensuring our business is cyber-secure.	<ul style="list-style-type: none"> ▪ Customers ▪ Financiers and insurers 		Privacy and cyber security
	Innovation	Supporting a culture of innovation and emerging technologies to reduce our impact, improve safety and create a more efficient, future-proof business.	<ul style="list-style-type: none"> ▪ Financiers and insurers ▪ Shareholders and joint venture partners 		Innovation
	Attracting, developing and retaining our people	Attracting, retaining and developing our people, including investment in the skill and career development of our employees as well as young people. This includes implementing systems and processes to ensure New Hope is an inclusive and diverse workplace for all, and the management of Aboriginal archaeology and cultural heritage objects and values.	<ul style="list-style-type: none"> ▪ Employees and contractors ▪ Local communities 	 	Attracting, developing and retaining our people
	COVID-19	The impacts to business and employees associated with the COVID-19 pandemic.	<ul style="list-style-type: none"> ▪ Employees and contractors ▪ Shareholders and joint venture partners 	 	COVID-19
	Responsible supply chain	Compliance with the Modern Slavery Act 2018 (Cth) and working to ensure New Hope has a sustainable and ethical and resilient supply chain that respects human rights.	<ul style="list-style-type: none"> ▪ Customers ▪ Financiers and insurers ▪ Suppliers 	 	Responsible supply chain



PILLAR	MATERIAL ISSUES	DEFINITION	RELEVANT STAKEHOLDERS	SDG	REPORT SECTION
<p>Responsible Operator</p>	Health, safety and wellbeing	Management of a safe workplace and culture for our people, contractors and communities. Investment in initiatives to raise awareness and support mental health and wellbeing services.	<ul style="list-style-type: none"> Employees and contractors Government agencies and regulators 		Health, safety and wellbeing
	Community engagement	Ongoing, inclusive and transparent engagement and relationships with our local communities to understand and respond to their needs and priorities, and effectively manage our immediate and long-term impacts.	<ul style="list-style-type: none"> Local communities Shareholders and joint venture partners Traditional owners 		Community engagement
	Water stewardship	Effective management of water resources, security of access and potential impacts of finite water supply.	<ul style="list-style-type: none"> Government agencies and regulators Local communities 		Water stewardship
	Operational energy and emissions footprint	Effective management of New Hope's operational energy and emissions footprint and investment in emission reduction initiatives.	<ul style="list-style-type: none"> Financiers and insurers Government agencies and regulators Industry associations 		Operational energy and emissions footprint
	Waste and tailings storage facilities management	Effective management of New Hope's hazardous and non-hazardous waste generated by our operations. This includes being transparent about the controls we have in place and our performance in managing them.	<ul style="list-style-type: none"> Government agencies and regulators Industry associations Local communities 		Waste and tailings storage facilities management
	Air quality and noise	Management of material exposures to noise and dust, including along the freight corridor.	<ul style="list-style-type: none"> Government agencies and regulators Local communities 		Air quality and noise
	Ethical business conduct	Conducting our business operations with strong corporate governance, ethical values and transparency.	<ul style="list-style-type: none"> Customers Employees and contractors Financiers and insurers Government agencies and regulators Suppliers 		Code of Conduct
<p>Sustainable Legacy</p>	Economic development of local and regional economies	Support and invest in the sustainable economic development of our local and regional economies through investment in local businesses, infrastructure investment, economic opportunity and transparency of taxes and royalties paid. This includes our ongoing commitment to our role as a significant employer in regional NSW and QLD.	<ul style="list-style-type: none"> Financiers and insurers Industry associations Local communities Shareholders and joint venture partners 		Economic development of local and regional economies
	Rehabilitation and biodiversity	Progressive environmental rehabilitation of mined land and committing to ensure a net positive impact on biodiversity of the land over the life of mine.	<ul style="list-style-type: none"> Government agencies and regulators Local communities 		Rehabilitation and biodiversity
	Mine closure	Responsible and fit for purpose site closure of an asset in a way that leaves a socially, economically and environmentally sustainable legacy.	<ul style="list-style-type: none"> Government agencies and regulators Local communities 		Mine closure

The sequence of material topics listed does not reflect level of prioritisation or risks associated with each of these material topics.



Resilient Business

The Resilient Business pillar reflects how New Hope's understanding of global megatrends and emerging sectoral issues informs the future strategic direction of our business and ensures our continued resilience.

Female
frontline
employees

▲ **3.9%**

Spent on
training and
development

\$2M

Priority SDGs





Climate-related risks and opportunities

New Hope supports the outcomes of the Paris Agreement and the long-term goal to limit global average temperature rise to less than 2°C. We also acknowledge the importance of affordable and accessible energy to facilitate economic growth in developing markets. The current mix of energy sources to meet this increasing energy demand is carbon intensive, further contributing to the rise in global average temperatures.

Our position on Climate Change

Climate change is an important global issue, which poses both risks and opportunities to our business over the short, medium and long term.

New Hope supports the outcomes of the Paris Agreement and the long-term goal to limit global average temperature rise to less than 2°C. We also acknowledge the importance of affordable and accessible energy to facilitate economic growth in developing markets. The current mix of energy sources to meet this increasing energy demand is carbon intensive, further contributing to the rise in global average temperatures.

We recognise that delivering a low carbon energy mix in a way that does not disrupt energy availability and affordability is a key challenge facing governments today.

Industry analysis conducted by the International Energy Agency forecasts that coal will remain a significant component of the energy mix for developing countries in Southeast Asia for the foreseeable future.

As an exporter of high calorific value (CV), low sulphur, low ash coal to these

key developing markets, the use of our coal contributes to lower emissions per unit of energy produced. Our coal will also continue to be a product of choice for high efficiency, low emitting (HELE) power stations.

We recognise the importance of providing transparency to our shareholders and other key stakeholders regarding our approach to identifying and managing climate-related risks and opportunities, and our resulting financial and operating resilience. Our approach to disclosure has taken the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations into consideration.

Governance

The Board, through the Audit and Risk Committee, has responsibility for overseeing how the Company manages strategic risks and opportunities, including climate change. This Committee is also responsible for monitoring the Company's compliance with its listing obligations, including the ASX Corporate Governance Principles and ASIC guidance.

The Audit and Risk Committee meet quarterly, discussing climate change and other strategic risks. In FY20, the Board's annual strategy day discussed demand and supply side risks and opportunities posed by the transition to a global lower carbon economy.

The Company also considers the potential impact on future cash flows of climate change risks, and this is discussed in the FY20 annual report.

The Executive Leadership Team are accountable for delivering the Company's strategy and managing climate-related risks and opportunities throughout the business.

Risk management

The identification and management of climate-related risks is governed as part of New Hope's Risk Management Framework. While climate change is not a standalone risk category within our framework, physical and transitional climate risks are explored within each of the categories listed in the following pages.



Policy

Time horizon¹ Short, medium and long term

Domestic and international policy actions around climate change continue to evolve.

Identified risk

Changes in government regulations in Australia which restrict the use of coal, or the use of land for coal mining, could impact the ability of the Group to develop new coal projects, or to extend the life of existing projects.

The introduction of new and/or more stringent carbon pricing mechanisms, both within Australia as well as in key coal importing countries, may increase the costs for companies with liable GHG emissions and reduce the cost competitiveness of coal as an energy source.

Changes in government policy relating to either coal consumption or energy generation in large Asian economies such as China, Japan and India could impact the longer term outlook for global coal demand.

Changes in government policy which increase the cost of land rehabilitation requirements and bring forward the timing of various rehabilitation obligations.

Identified opportunities

Ongoing demand for high quality thermal coal to supply high efficiency low emission coal fired power stations in large Asian economies in order for those economies to continue to generate affordable base load power. The Group's high quality thermal coal reserves are ideally placed to meet that demand.

New Hope's Bengalla Mine has existing approvals that extend out to close to 2039 enabling New Hope to avoid potentially lengthy and costly mine extension approvals.

New Hope has strong experience with undertaking progressive rehabilitation at its existing New Acland Mine. There is an opportunity to leverage this expertise across the Group's other operations to effectively manage any changes to rehabilitation obligations.

Application to New Hope

Ongoing demand for the Group's high quality thermal coal is anticipated to underpin the Group's revenues in the short to medium term.

Changes in the longer term global coal demand outlook could have an impact on the Group's future coal revenues and recoverability of undeveloped coal reserve assets.

The financial impact of any future policy change will depend on the nature and timing of those changes.

The Group continues to proactively monitor the policy environment both domestically and internationally and will take appropriate steps to mitigate the impact of those changes.

Legal

Time horizon¹ Short, medium and long term

Increased litigation from shareholders, insurers and activist organisations against governments and companies, either seeking compensation for damages caused to them because of climate change impacts or to force greater action on climate change.

Identified risk

The Group could incur increased costs associated with defending legal claims related to coal mining operations and/or environmental and development approvals for new coal projects or the extension of existing projects.

Land rehabilitation requirements, both from a timing and cost perspective, may increase. Refer to Policy Risk discussion.

Identified opportunities

The Group has a strong, long standing reputation for operating in a responsible way. This includes the support of the communities in which we operate, and an excellent track record of regulatory compliance. This strong reputation will enable the Group to distinguish itself as an 'operator of choice' for both current and future projects.

Application to New Hope

The recoverability of undeveloped coal reserve assets will be underpinned by the ability of the Group to secure and maintain necessary project approvals.

¹ In this context, we consider short term, medium term and long term as the next 1–3 years, 4–10 years and 11–50 years, respectively.

Technology

Time horizon¹ Short, medium and long term

Technological improvements or innovations that support the transition to a lower-carbon economy will affect the competitiveness of certain organisations, their production and distribution costs, and ultimately the demand for their products and services from end users.

Identified risk

Demand for coal could be impacted if future improvements in the efficiency, affordability and reliability of alternative energy sources and battery storage solutions occur at a faster pace than similar improvements in the thermal coal industry.

Identified opportunities

The continued development of high efficiency low emission coal fired power stations (and other clean coal technology) in large Asian economies are viewed as key to sustaining the demand for the Group's high quality thermal coal assets in the short to medium term.

There is an opportunity for the Group to leverage its existing innovative capabilities to derive further mining cost efficiencies from emerging developments in energy-efficient mining equipment.

Application to New Hope

The timing of technology development and deployment is a key uncertainty in assessing the financial implications of technology risk.

The financial implications of technology risk, as they relate to coal demand, are similar to those noted above for policy risk.

The Group will continue to monitor developments that have application to the mining and broader energy industries and invest in new technologies where they deliver an acceptable return on investment.

Market

Time horizon¹ Medium and long term

Markets could be affected by the transition to a lower carbon global economy through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly taken into account.

Identified risk

Demand for thermal coal could be impacted if alternative energy sources become more competitive and reliable, relative to thermal coal as an energy source.

The number and mix of market participants could lead to increased volatility in the supply and pricing of thermal coal.

Identified opportunities

There is an opportunity for the Group to leverage the anticipated sustained demand for high quality thermal coal as part of a diversified energy mix.

Pressure from external stakeholders could see some producers exit the thermal coal industry with a resultant reduction in supply and increase in pricing for remaining industry participants.

Application to New Hope

The Group will continue to work closely with its key customers in Asia to ensure it is well positioned to meet the demand for high quality thermal coal.

The Group will proactively monitor the market environment and take appropriate steps to manage the impacts of any shifts in supply and demand for thermal coal.

¹ In this context, we consider short term, medium term and long term as the next 1–3 years, 4–10 years and 11–50 years, respectively.



Reputation

Time horizon¹ Short, medium and long term

Customers, suppliers and other stakeholders have begun including climate related considerations into their decision making process around which businesses they will engage with.

Identified risk

Pricing for financing and key services such as insurance may increase if the pool of parties prepared to partner with the thermal coal industry reduces significantly.

Increased regulatory compliance costs.

The ability to attract and retain a suitably skilled workforce could be impacted by employee perceptions about what it means to work in the coal mining industry.

Identified opportunities

The Group has a long and enviable reputation for being a respectful and trustworthy operator. The Group has formed strong relationships with the communities in which we operate, our employees, suppliers, customers, and regulatory bodies, with many of these relationships spanning multiple decades. The continuity of these relationships are underpinned by a strong corporate culture which acknowledges that long term success can only be achieved by respecting the views of our key stakeholders. New Hope has the ability to leverage and grow this support base to differentiate itself from its peers and be seen as an 'Operator of Choice'.

Application to New Hope

The Group may see an increase in specific costs such as interest expense and premiums as well as increasing workforce-related costs.

The Group will work to manage the impact of these potential cost increases through the ongoing implementation of operational efficiency initiatives, including the deployment of emerging technological solutions and the consideration of non-traditional markets for access to finance and key services such as insurance.

The Group will also continue its investment in our local schools and universities to support the next generation of our workforce through scholarships and other support activities.

Physical

Time horizon¹ Medium and long term

Climate change science suggests that climate change has the potential to increase the frequency and intensity of extreme weather events as well as longer term shifts in climate patterns.

Identified risk

Increased intensity and frequency of extreme weather events, which have the potential to damage infrastructure and interrupt mining and port operations.

Increased extreme heat days may also impact the health and safety workplace requirements for employees as per the relevant Occupational Health and Safety regulations.

Sustained increase in temperatures as well as intensity and duration of droughts, which have a longer-term impact on operational reliability or longevity of mining equipment.

Identified opportunities

The Group's key operations are located in geographic areas which are not areas of higher risk in relation to extreme weather events such as cyclones or flooding. This may give the Group competitive advantage relative to other market participants.

New Hope's existing New Acland Mine utilises recycled wastewater from the Wetalla Wastewater Treatment facility. This provides the Company with a competitive advantage for this site, which could be potentially duplicated and leveraged at other operations.

Application to New Hope

The direct risk associated with lost production time or increased costs due to weather-related events are considered to be a low possibility and low consequence, they continue to be proactively managed through the Company's standard risk management and business continuity processes.

The most significant of these risks would be a loss of key infrastructure for a prolonged period, which is actively managed with a dedicated risk action plan.

¹ In this context, we consider short term, medium term and long term as the next 1–3 years, 4–10 years and 11–50 years, respectively.

Our market position

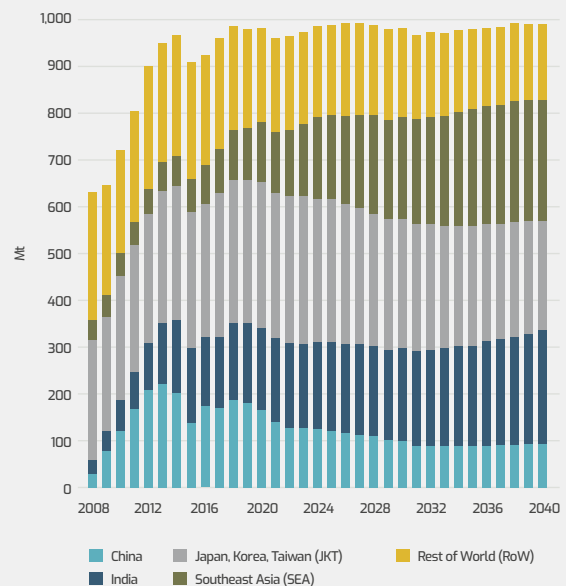
Our business is underpinned by continued demand for high energy (calorific value or CV) Australian coal in our key export markets and our cost-efficient operations.

Regional economic growth in Southeast Asia is forecast to continue, with the economy forecast to triple in size, and energy demand predicted to grow by almost two thirds by 2040¹. China's imports are forecast to decline, whereas coal consumption in Southeast Asia and India is expected to grow despite an increase in renewables capacity, as illustrated in Figure 1.

Coal is forecast to account for 40 per cent of energy demand growth in Southeast Asia², driven in large part by demand for high-quality thermal coal for electricity generation. Australian thermal coal is widely recognised as the preferred choice for the growing Asian market because of its high energy content and favourable environmental attributes. New Hope is well positioned to take advantage of this growth and continue being a supplier of choice to Asian coal import markets.

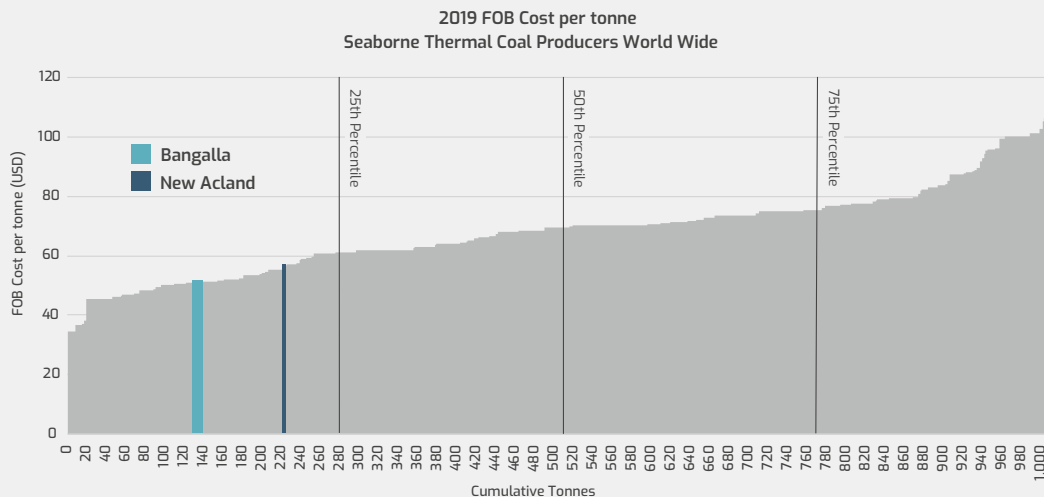
Support for high efficiency-low emissions (HELE) power plants generation technology for both new and upgraded plants will play a key role in ensuring the growing role of coal in meeting this forecast growth in energy demand.

Figure 1: Forecast seaborne thermal coal demand



Source: Wood Mackenzie

Figure 2: Our position on the global cost curve



1 IEA (2019), World Energy Outlook 2019, IEA, Paris www.iea.org/reports/world-energy-outlook-2019.

2 Primary energy demand in Southeast Asia in the Stated Policies Scenario, 2018-2040 (International Energy Agency's World Energy Outlook 2019).



Our value proposition

New Hope is well-positioned as a supplier of choice to Asian coal markets for the following reasons.

Coal quality attributes

We have a well-earned reputation for supplying some of Australia's lowest emission coals. Our operations produce high energy (high calorific value) coal which is low in ash, sulphur and nitrogen, delivering superior environmental outcomes, including low levels of nitrous oxide, carbon dioxide and sulphur emissions. This in turn reduces the emissions intensity per unit of electricity generation.

Cost-efficient operations

We deliver value to our customers through considered management of our supply chain from exploration and mining through to delivery.

As highlighted in Figure 2, our operating coal assets are well placed on the global thermal coal cost curve to ensure we remain competitive and provide resilience to fluctuations in the thermal coal market. Our operating coal assets are also resilient under both the International Energy Agency's (IEA) Current Policy and Stated Policy Scenarios.

Low-emissions intensity of operations

New Hope's operations are comparatively less emissions-intensive compared to other Australian-based coal mining companies.

Long-standing and diversified customer base

We have strong relationships with customers in key markets, as well as a growing client base in newer Asian markets such as Vietnam and India. Our long-standing relationships provide us with certainty regarding demand for our coal and means we are well positioned to understand and respond to the changing needs of our customers.

Our established customer base spans four Asian countries – Korea, Taiwan, Japan and China – which ensures we are resilient to potentially abrupt changes in government regulations regarding the importation of coal.

Long-term approvals

New Hope's Bengalla Mine has existing approvals that extend to 2039, enabling New Hope to avoid potentially lengthy and costly mine approval processes. If future policy is more focused on emissions intensity, this will likely delay or prevent the opening of new or expanded coal deposits, which in turn increases the value of operations with existing long-term approvals.

Positive workplace culture

We are proud of our positive workplace culture and robust corporate governance practices. Our management team prioritises safe work practices and relationships with people, communities and customers.

Community support

We maintain strong relationships with our communities and customers through proactive stakeholder engagement and targeted community investment strategies. We continue to focus on and support the needs of the communities in which we operate through local employment, procurement and investment. The majority of our mine employees live locally, go home each night to their families and play an active part in their communities.

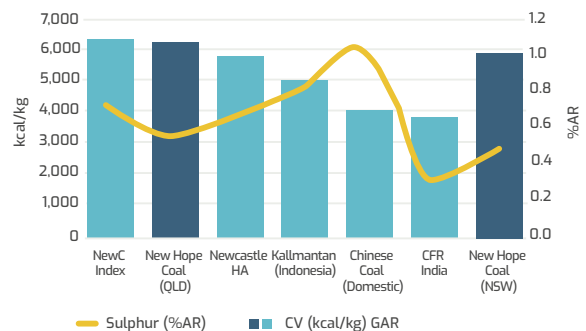
Environmental stewardship

Our disturbed land is rehabilitated to the highest industry standard. We successfully manage agricultural enterprises that are integrated and co-exist with our mining operations. During FY20, the Group did not receive any Penalty Infringement Notices and was not prosecuted for any breach of environmental laws.

Disciplined capital investment

With a suite of low cost, quality assets and strong balance sheet, New Hope remains well positioned to endure the current global economic downturn and retain its position as one of Australia's leading coal producers.

Figure 3: Thermal coal benchmarking



Source: New Hope Group (median coal quality across product grades) and S&P Global Platts (April 2018). Newcastle HA Index adjusted to GAR.

Privacy and cyber security

Our objective is to maintain the integrity and security of confidential information and intellectual property relating to New Hope's business and activities. This is a valuable resource which allows New Hope to differentiate itself from competitors and create value for customers and shareholders.

Our approach to Privacy and Cyber Security is governed by the Group's Information Security Charter Policy document. The key aspects of this policy include:

- Risk mitigation and asset protection;
- Providing customers with the highest level of service; and
- Maintaining compliance obligations.

We are committed to:

- Adopting a risk-based approach to ensure cyber security risks are treated in a consistent and effective manner;
- Moving from a reactive response model to a predictive model to identify risks;
- Prioritising activities and resources to identify and protect business critical data and applications where a cyber security incident would have the greatest impact; and

- Fostering a security-positive culture that influences the behaviour of end users to reduce the likelihood of cybersecurity incidents and limit their potential business impact.

In FY20, New Hope had no reportable data breaches.

New Hope Group has undertaken a thorough review of the Cyber Security framework over the last 12 months. This has involved an external audit along with detailed tests of critical systems, and a number of work packages focused on key technology areas.

New Hope Group continues to keep abreast of all technology threats, participating in a number of infrastructure forums that share cyber security information across different industries.



Innovation

New Hope is committed to innovation and business improvement across our operations to ensure continued growth and competitiveness. We also recognise that while there are opportunities associated with innovation, there are risks that need to be managed.

Satellite imagery at Acland Pastoral Company

Satellite imagery is married with on ground estimates at specific locations across Acland Pastoral Company (APC) to model pasture yield. Imagery is taken every five days and made available once a month for forage budgets and ground cover measurements.

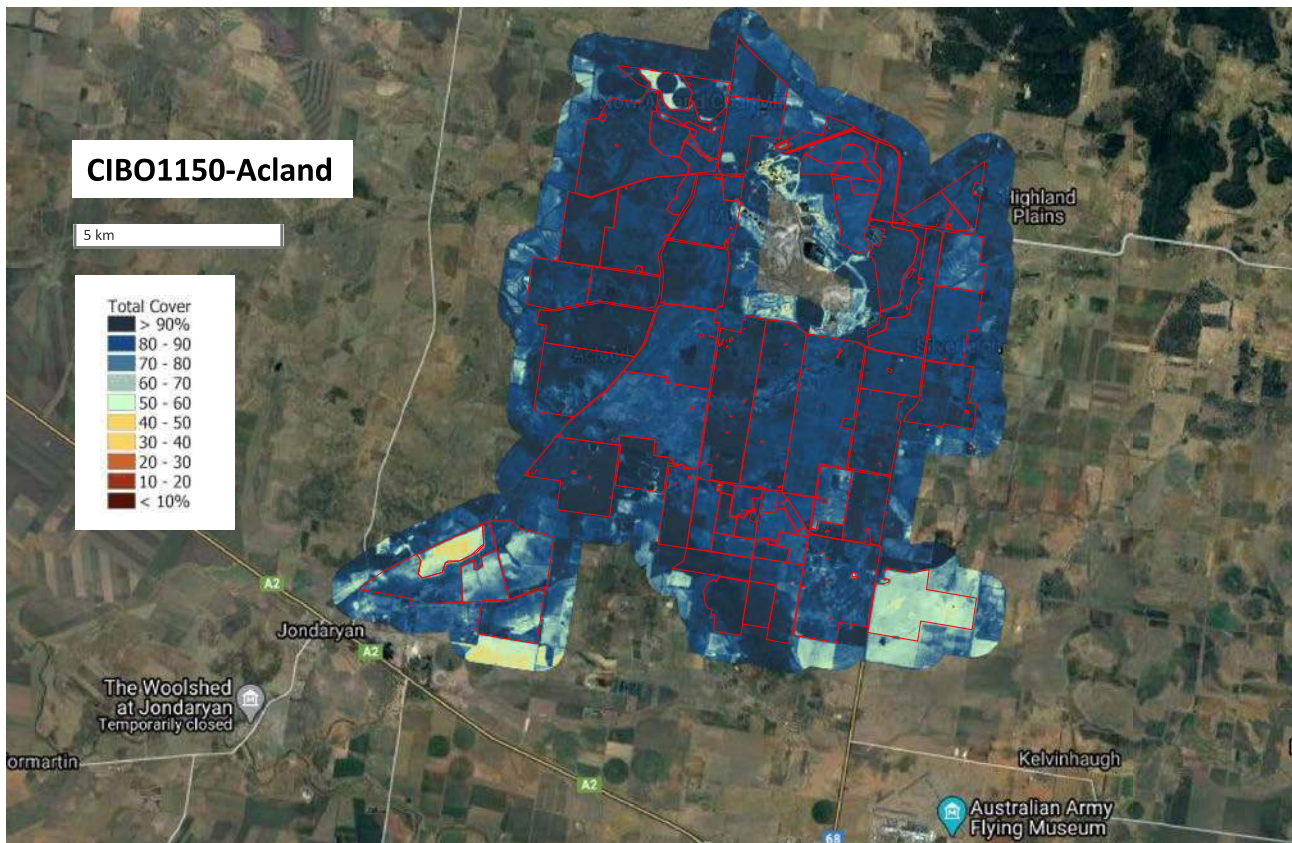
The data is presented as images to visualise variations in pasture yield across the property. Satellite feed budget data is also used to define feed on offer for cattle and enable automated scheduling and planning of stock rotations.

Acland Pastoral Company

APC has recently partnered with the CSIRO, who are aiming to build partnerships with local community groups, private landholders and weed managers that are currently working with African boxthorn (a restricted invasive plant), on projects related to a possible biocontrol agent to release into the Australian environment.

Between July and December 2020, CSIRO field ecologists worked with APC and other local stakeholders to set up a network of permanent monitoring plots across Australia, where data will be collected on African boxthorn populations, associated native vegetation and pasture quality over time. Vegetation surveys will be undertaken before and after the release of any potential future biocontrol agent. The aim of the monitoring program is to evaluate the benefits of biocontrol for reducing African boxthorn and the recovery of desirable vegetation.

Figure 6: Example of total ground cover (%)



Attracting, developing and retaining our people

We believe in promoting a diverse and inclusive culture, driven by our six key values of Respect, Wellbeing, Responsibility, Resilience, Collaboration and Integrity. Our 'Diversity and Inclusion Policy Statement' is available on our Company website.

We value our people and want our workforce to have a sense of purpose and opportunities to achieve their career aspirations. Our culture promotes training and development, diversity and inclusion, safety and wellbeing, and recognises exceptional performance. We believe in a workplace where everyone is treated fairly and with respect, and strive to ensure everyone is provided with equal opportunity in all aspects of employment.

We offer flexible working arrangements and where possible opportunities for team members to work part-time to accommodate individual circumstances. Not only does this foster positive relationships at work, it directly supports a high performing organisation.

We focus on fostering a workplace where employees feel they are valued members of the organisation and treated fairly, and inappropriate behaviour does not take place.

Every year, New Hope provides a report to the Workplace Gender Equality Agency (WGEA), outlining key statistics relating to gender in the workplace. A snapshot from 2020 shows:

- 3.4% increase in employees who identified as women;
- 35.7% of promotions went to female employees;
- 66.7% of all manager promotions were awarded to women;
- 21 employees took parental leave;
- 10 employees worked under a flexible work arrangement; and
- 3.3% worked in a part-time capacity.

It is important to note that the increase of employees who identify as women is largely due to workforce changes at New Acland.



Table 3: Workforce by gender, age group and employment type

INDICATORS	YEAR TO 31 JULY 2020	YEAR TO 31 JULY 2019	YEAR TO 31 JULY 2018	YEAR TO 31 JULY 2017
Number of employees	873	1024	536	531
By gender				
Female	152	147	78	68
Male	721	877	458	463
By geographical region				
New South Wales	508	489	36	29
Queensland	365	535	500	502
By age group				
Below 30	64	84	57	55
30-50	525	602	279	283
Over 50	284	338	200	193

Table 4: Employee turnover

INDICATORS	YEAR TO 31 JULY 2020	YEAR TO 31 JULY 2019	YEAR TO 31 JULY 2018	YEAR TO 31 JULY 2017
Rate (%) of employee turnover	30	10.4	9.7	9.8
By gender				
Female	3.7	18.4	14.7	28.6
Male	26.1	9.1	11.6	9.2
By geographical region				
New South Wales	5.1	9	8.7	10.3
Queensland	24.7	11	10.2	10
Average tenure				
Employees with 25 years tenure or greater	11	31	29	31

**Table 5: Diversity of governance bodies and workforce**

INDICATORS	FY20 COUNT		FY20 %		FY19 COUNT		FY19 %		FY18 COUNT		FY18 %	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Board	1	6	14%	86%	1	6	14%	86%	1	7	13%	88%
Executive Committees	2	5	29%	71%	2	5	29%	71%	2	5	29%	71%
Senior Management	13	33	28%	72%	14	56	20%	80%	5	21	19%	81%
Management	4	55	7%	93%	4	62	6%	94%	2	35	5%	95%
Frontline Employees	133	628	17%	83%	128	876	13%	87%	57	293	16%	84%

Note: This data only includes permanent employees of New Hope and not contractors.

Training and development

New Hope generates value by investing in our people to support attraction, engagement and retention of employees. This is increasingly important in the current environment where demand for labour in the coal industry is increasing, and there has been a decline in new entrants including graduates into the industry.

We invested \$2.0M in training and development for our people in FY20, which represented an 18 per cent increase over the previous year.

Training and development is a critical element of our workforce planning to ensure we are providing our greatest asset – our people – with learning and growth opportunities and enhanced capabilities.

We grow talent by educating and training employees across different aspects of work, providing the opportunity to complete best practice skills development through a combination of face-to-face, practical and e-learning approaches.

We recognise the importance of good leadership and the value of providing leaders with support and training to develop their leadership skills. To promote leadership development in the business, we offered the following programs in FY20.

Leading Others

Focused on supporting our frontline leaders, the program helps leaders to build their confidence to lead teams, learn simple and easy techniques to engage and inspire their teams, and build relationships and extend their networks across the business.

Participants receive a nationally recognised Certificate IV in Leadership and Management at the conclusion of the program.

Leading Leaders

Focused on supporting our senior leaders, the program includes the use of a psychometric assessment tool to help leaders better understand their leadership style. The program also incorporates a 360-degree assessment tool that provides our leaders with feedback from their direct leader, peers and direct reports.

Study assistance

Our Study Assistance Policy offers employees the opportunity to study in the field they work in, with New Hope paying a proportion of the costs incurred on fees and textbooks. The initiative encourages further learning and helps prepare our team members for future opportunities within the business.

School partnerships and learning pathways

We are proud to partner with a number of local schools to provide work and vocational education and training opportunities. At Bengalla we employ four apprentices each year through the MIGAS Apprentice Program.

Our school-based traineeships at New Acland allow students to work onsite for two days a week and attend school the remaining three days. This structure allows students to apply their knowledge in a practical way and fuels their interest in a career in the resources sector.

New Hope also provides university students with real-life learning pathways to complement their formal education. In FY20, we hosted seven vacation students from several disciplines including engineering and environmental science.

COVID-19

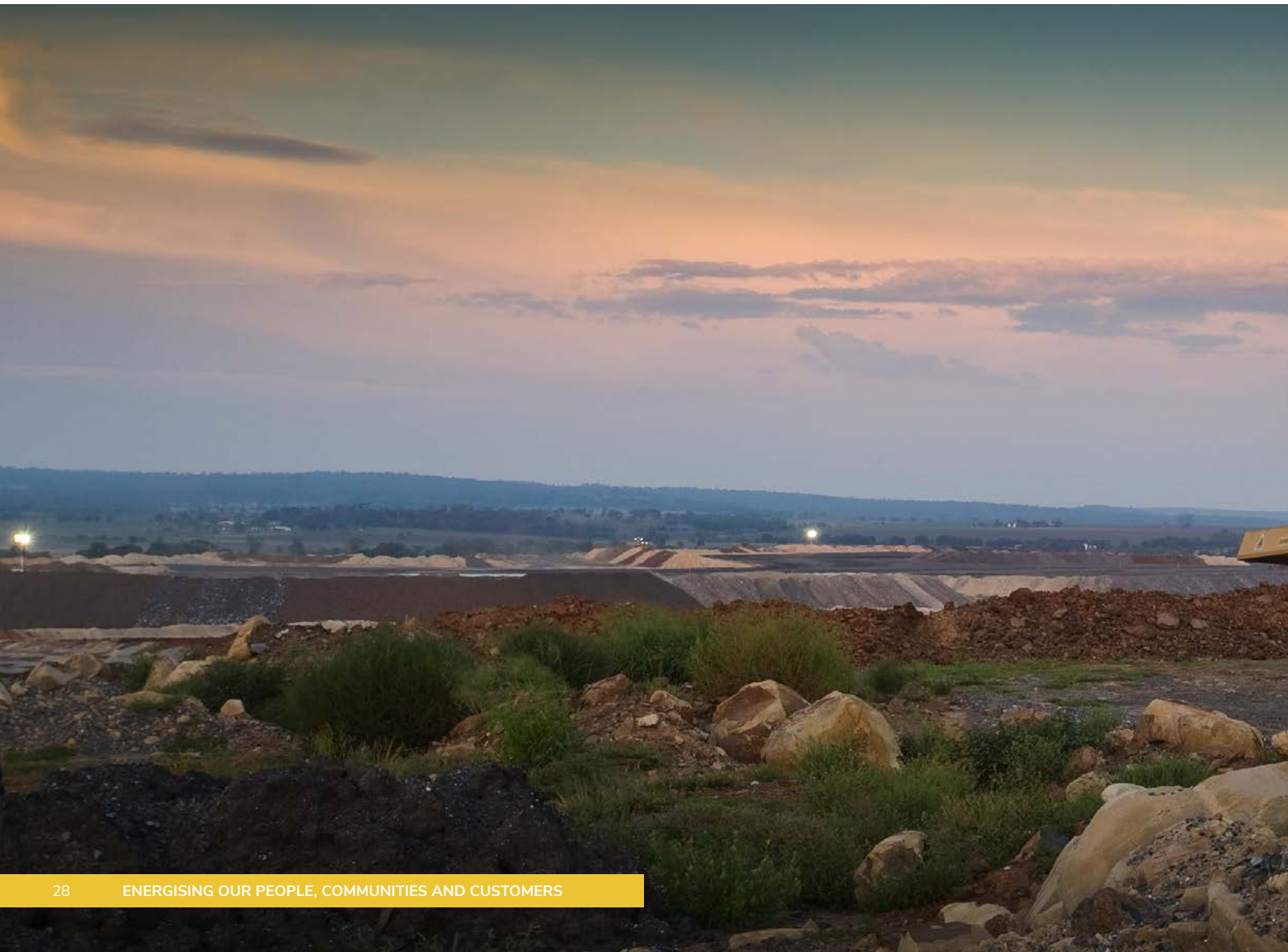
The COVID-19 pandemic presented some operational challenges to New Hope, limiting the movement of labour and materials required to keep our operations running effectively.

We took a range of practical actions to protect the health and wellbeing of our people and minimise the threat of COVID-19 entering our sites and the communities in which we operate. They included infection control training; PPE and sanitiser supplies; increased cleaning and disinfection at all high traffic touch points, vehicles and equipment; physical distancing in gathering points on site; and reducing external visits and travel between sites

The Queensland Government's decision to shut its border with NSW created disruption to certain activities of New Hope including exploration, Bridgeport and the Bengalla dragline shutdown. We implemented procedures to mitigate the impact of the border closures.

As at November 2020, there have been no cases of COVID-19 at any of our sites. Disruption and cost increases associated with managing the threat of COVID-19 have been minimal.

Coal market fundamentals have deteriorated due to the impacts of COVID-19. The short-term outlook for thermal coal demand will be dependent upon industrial recovery in our region. COVID-19 also has the potential to impact energy demand in New Hope's markets and alter the energy mix. We will continue to monitor developments and refine our strategy accordingly.





Responsible supply chain

Modern slavery

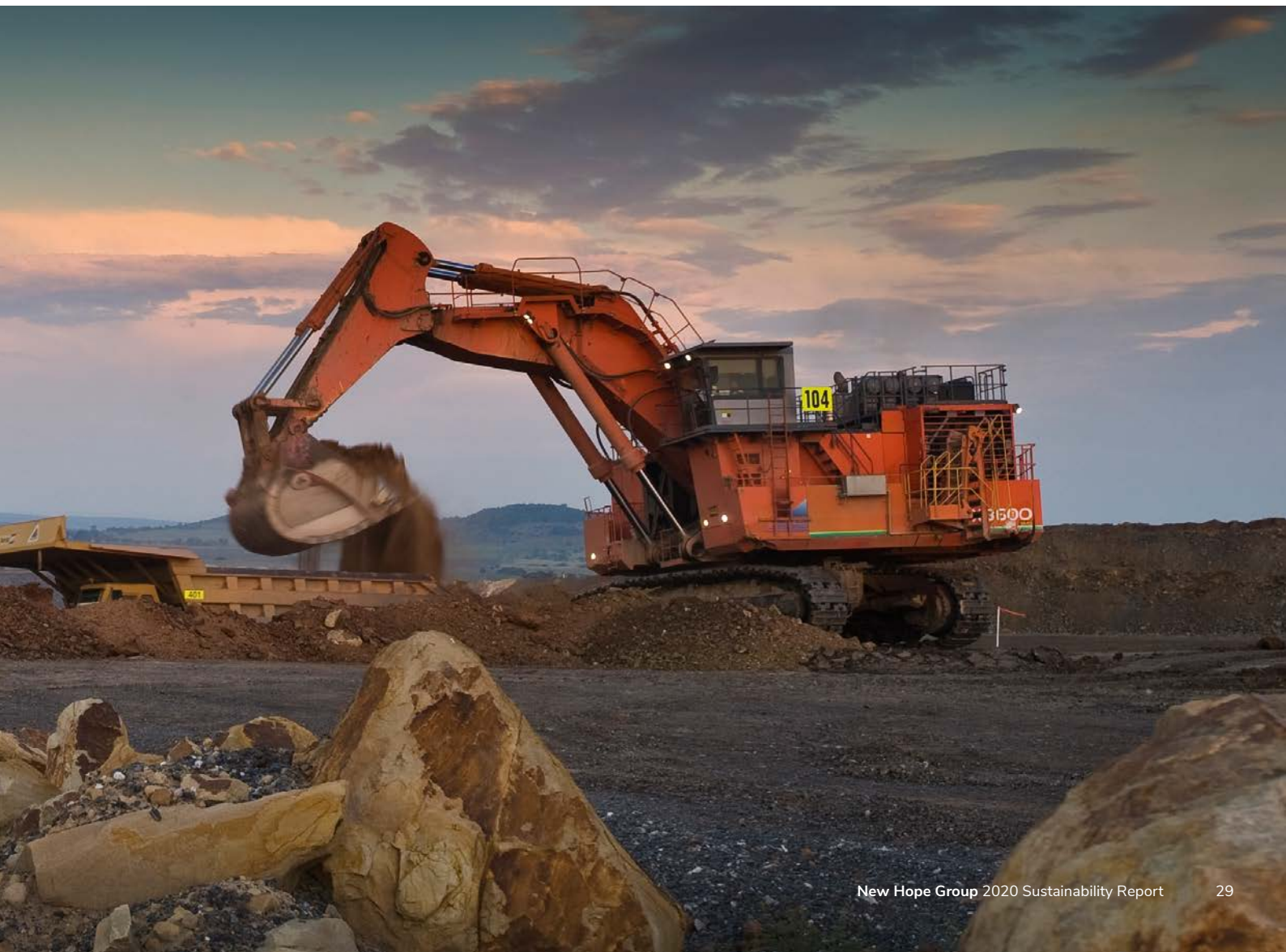
Forms of modern slavery, such as forced labour, child labour, debt bondage, servitude, human trafficking and deceptive recruiting for labour or services, are a violation of human rights, against the law and contrary to New Hope's values.

We are committed to identifying, assessing and mitigating modern slavery risks in our operations and supply chains. We do this by complying with all modern slavery legislation, and using our commercial leverage to contribute towards the elimination of modern slavery.

We undertook the following activities during FY20 in support of these commitments, which will also provide a foundation for further action in the years ahead:

- The Board approved a policy statement setting out New Hope's commitments and expectations;
- A cross-functional working group met regularly to facilitate New Hope's activities in response to legislated modern slavery requirements;
- Our supply chains were mapped to identify areas of risk;
- Our contract templates were updated to require written assurances and other undertakings from our suppliers in relation to modern slavery and labour practices; and
- We delivered awareness training to our executives and team members across the business.

New Hope will publish its first Modern Slavery Statement by 31 January 2021 in accordance with requirements of the Modern Slavery Act 2018 (Commonwealth).





Responsible Operator

The Responsible Operator pillar reflects how we manage our day-to-day operations to deliver positive outcomes for our business and stakeholders, and minimise the negative impacts of our activities.

Spent on initiatives benefiting 160 community groups

\$1.6M

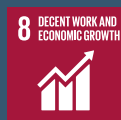
Coal business Total Recordable Injury Frequency Rate (TRIFR)

▼ 2.97

Wages and benefits paid

\$182.9M

Priority SDGs





Health, safety and wellbeing

We strive to ensure our people remain free from work-related injury and illness and that their work environment is both safe and healthy.

Building a culture focussed on employee wellbeing

A structured approach to health and safety demonstrates how we value and care for our people.



Safety performance

A series of safety leadership initiatives across New Hope, including critical controls management, safety interactions, personal risk management and hazard reporting, has resulted in a decrease in the coal business Total Recordable Injury Frequency Rate (TRIFR) from 7.75 (FY19) to 2.97 (FY20). This is below the 2018-2019 NSW Opencut Coal Mine five-year average of 6.03.

Safety continues to be a core value across New Hope with QBH extending its record of being Lost Time Injury Free (LTIF) to eight consecutive years, and Bridgeport and Exploration to six consecutive years.

To better manage risk across New Hope, we have commenced a review of our health and safety risk management policy and supporting documents. Our objective is to implement a standardised health and safety risk management regime across all of New Hope's site locations and activities.

Safety leadership program

In FY20, we trialled a Safety Leadership Program involving a cross section of our workforce. The pilot program was designed to build on the existing i-Safe/We-Safe program, and has been developed specifically for New Hope with customised data and experiences and incorporating recent research on health, safety and neuroscience.

The pilot program enabled us to obtain feedback from participants and make improvements to the behavioural programs the Group was already running.

Critical Risk Management

In July 2019, we commenced a Critical Risk Management program that will continue over the next three years. A broad-brush Risk Assessment was conducted to establish the health and safety critical risk profile for the business. A bowtie risk analysis was undertaken for each critical risk and critical controls will be defined and a program established to consistently manage their effectiveness across the Group.

NEW TECHNOLOGIES KEEPING OUR FLEET DRIVERS SAFE

To help prioritise health and safety, New Hope recently installed proximity detection and fatigue monitoring across its fleet at Bengalla.

More than 170 heavy and light vehicles were fitted with devices to assist with traffic awareness and collision avoidance. Our contractors entering the mine will be provided with portable devices for use in their vehicles to ensure their safety.

The system uses intelligent avoidance algorithms to develop a dynamic safety zone, which adapts to the speed of a vehicle. Safety zones are configured to suit site specific operations and can be adjusted as the features of the mine change.

The system utilises geofencing technology which has the ability to alert drivers to areas that are off limits and can also identify fixed hazards such as infrastructure.

To ensure continuity of service to all vehicles on site, the system does not rely on Wi-Fi, but works on a peer-to-peer system, guaranteeing continuous contact between all vehicles.

The fatigue management system (fitted to all haul trucks) uses in-cab cameras to monitor operator fatigue. It monitors and 'learns' the behaviour of the driver and triggers an alarm if signs of fatigue or distraction are detected.

We have utilised a similar system at New Acland and Jeebropilly for a number of years.

Health, Safety and Environment Management System

New Hope has commenced a project to introduce a combined Health Safety and Environment Management System for the whole of the New Hope Group. The new system, which will be aligned to the ISO Standards for Health and Safety Management Systems and the Environmental Management Systems (including Risk), is scheduled to be developed over a three-year period.

In the first year of the project priority elements such as Risk Management, Event Reporting and Legal and Compliance Obligations have been targeted.

Mental health and wellbeing

We are focused on promoting wellbeing, which means looking after physical and mental health while keeping safety front of mind. Looking after wellbeing involves mental, physical, emotional, financial and social health, and encouraging our people to look out for themselves and others.

Our Live Well, Work Well health and wellness program aims to improve the health and wellbeing of our people inside and outside the workplace. The program gives New Hope employees and contractors access to health professionals like doctors and psychologists, and delivers monthly toolbox talks on health-related topics like stress management and men's health. The program at Jeebropilly and New Acland has gained positive recognition with a Queensland Mining Industry Health and Safety Award.

Each site and office operate their own tailored health and wellbeing program, ranging from flu vaccinations and skin cancer checks to monthly health and wellbeing education topics.



**Table 6: Mental health and wellbeing programs**

SITE	MENTAL HEALTH AND WELLBEING	NON-WORK RELATED
Corporate	<ul style="list-style-type: none"> ▪ Pre-employment Medicals; ▪ Employee Assistance Program (EAP) Gryphon Psychology; and ▪ Peer Support Program. 	<ul style="list-style-type: none"> ▪ Skin checks; ▪ Flu vaccinations; ▪ Movember; and ▪ Prostate and breast cancer awareness sessions.
Exploration	<ul style="list-style-type: none"> ▪ Pre-employment medicals; ▪ EAP Gryphon Psychology; ▪ Peer Support Program; and ▪ Occupational therapist. 	<ul style="list-style-type: none"> ▪ Skin checks; ▪ Flu vaccinations; ▪ RUOK? Day function; ▪ Occupational therapist; and ▪ Keynote speakers at Safe Start Workshops.
QBH	<ul style="list-style-type: none"> ▪ Pre-employment medicals; ▪ EAP Gryphon Psychology; ▪ Peer support program; ▪ Pre-work stretches; ▪ Health and wellbeing program; ▪ Health monitoring including hygiene and hearing; and ▪ Voluntary respiratory monitoring. 	<ul style="list-style-type: none"> ▪ Skin checks; and ▪ Flu vaccination reimbursement.
Bengalla	<ul style="list-style-type: none"> ▪ Pre employment medicals; ▪ Periodic medicals; ▪ Chest x-rays; ▪ Newpsych Psychology; ▪ Early intervention physiotherapy; ▪ Fatigue training; ▪ Mental health/resilience presentation; ▪ Audiometry testing; and ▪ VIA character strength survey (apprentices). 	<ul style="list-style-type: none"> ▪ Skin checks; ▪ Flu vaccinations; ▪ Physiotherapy; ▪ Yoga; ▪ Dietician; and ▪ Movember.
Jeebropilly	<ul style="list-style-type: none"> ▪ Health assessments; ▪ EAP Gryphon Psychology; ▪ Peer support program; and ▪ Finishing-Well program. 	<ul style="list-style-type: none"> ▪ Life coaching (financial budgeting); ▪ Skin checks; ▪ Flu vaccinations; ▪ RUOK? Day; and ▪ McGrath Foundation.
New Acland	<ul style="list-style-type: none"> ▪ Health assessments; ▪ EAP Gryphon Psychology; and ▪ Peer support program. 	<ul style="list-style-type: none"> ▪ Skin checks; ▪ Flu vaccinations; ▪ Life coaching; and ▪ Sum Sanos.
Bridgeport	<ul style="list-style-type: none"> ▪ Pre employment checks; ▪ EAP Gryphon Psychology; ▪ Peer support program; ▪ Heat stress and fatigue; and ▪ Daily checks in morning muster 	<ul style="list-style-type: none"> ▪ Movember.

Health, safety and wellbeing (continued)

Table 7: Health, safety and wellbeing metrics

INDICATORS	YEAR TO 31 JULY 2020	YEAR TO 31 JULY 2019 ¹	YEAR TO 31 JULY 2018	YEAR TO 31 JULY 2017
Number of workers covered by an occupational health and safety management system	873	1024	417	408
Fatalities (employees and contractors)	0	0	0	0
Total recordable injuries (employees and contractors)	8	19	21	8
Number of hours worked (employees and contractors)	2,696,907	2,444,795	1,210,620	1,249,365
Rate of recordable work-related injuries (coal business) (TRIFR)	2.97	7.95		
New occupational illness cases	3	5	10	2
Safety interactions (operational mine sites only)	11,505	11 561	6,272	2,222
Number of First aid incidents	55	49		
Number of Medically treated incidents	6	6		
Number of Lost-time incidents	2	6		

¹ Bengalla health and safety data is included from December 2018 when New Hope assumed majority ownership.

Figure 7: Number of safety interactions per number of workers





Community engagement

New Hope Group's goal is to make a positive and lasting difference in our communities. We recognise our operations can have a social impact on communities and that we are responsible and accountable for managing those impacts.

We are committed to:

- Monitoring and managing the impacts our activities have on communities;
- Recognising, understanding and respecting the rights and obligations of communities; and
- Meeting all regulated social conditions and commitments.

We recognise the importance of positively engaging with the communities where we operate and aim to be an integral and accepted part of these communities. To achieve this, we engage directly and proactively with stakeholders and invest in our local communities, giving time, skills and financial support, and developing genuine partnerships as the building blocks to sustainable futures.

Ongoing community engagement

New Hope is committed to working closely with local landholders and residents and other key stakeholders neighbouring our operations.

Our New Acland Community Information Centre is based in the main street of Oakey, and our landholder and community liaison staff have been part of the Darling Downs community, working closely with local stakeholders for many years. The Centre provides information about the New Acland Mine, employment, contractor and local supplier opportunities, and details about New Hope's community sponsorship and donation program. The Centre hosts an annual landholder social function and facilitates monthly public tours of the New Acland Mine.

The New Acland Community Reference Group (CRG) is integral to the ongoing engagement between the mine operations and local community. The CRG operates as an advisory body and outcomes inform New Hope's planning and community-based decision-making. The CRG provides local insight on key community topics, particularly in relation to potential opportunities and impacts presented by the New Acland Mine operation. It is also an avenue for sharing information with the broader community.

Bengalla engages directly with the community through its regular Community Consultative Committee meetings. At these meetings local community stakeholders, representatives of government departments, and Bengalla staff discuss environmental management, mine development and performance and community partnerships firsthand.

Community investment

The New Acland Community Investment Fund is part of New Hope's ongoing commitment to community investment and development. It aims to assist not-for-profit community groups and organisations with grants to support their initiatives and projects, which develop long-term positive outcomes for the communities around the mine.

The Fund is focused on areas relevant to the local community and contributes to a variety of local initiatives related to New Hope's community investment priorities, namely:

- Education, training, capacity building and youth support;
- Community safety, health and welfare;
- Sport and recreation;
- Arts, entertainment and culture;
- Environment and sustainability; and
- History and cultural heritage.

Bengalla is proud to be a long-term member of the Upper Hunter and is committed to working closely with the local community to keep them informed and create stronger communities through:

- Support for local schools and students by providing opportunities for work experience, apprenticeships and scholarships; participating in school careers days and STEM activities; hosting school tours of the mine; and supporting academic enrichment for Aboriginal students;
- Partnering with major local events with a focus on culture, health and education;
- Financial and in-kind assistance to community organisations, groups and clubs; and
- A Voluntary Planning Agreement with the Muswellbrook Shire Council.

A range of projects and events have been supported through Bengalla's community partnerships with donations, sponsorship and in-kind contributions of time and expertise. Highlights from FY20 include major sponsorship of the Muswellbrook Netball Association, Muswellbrook Junior Touch Football, the Upper Hunter Show, Scone Bucking Bulls Charity Event, Scone Charity Rodeo, and the Polly Farmer Foundation. Some of these events were postponed due to COVID-19 restrictions.

Community engagement (continued)

At New Acland, a complete upgrade to the facilities at Kulpi District Hall assisted in increasing accessibility for rural community members. The installation of a compliant disability access ramp and toilet facilities will enable the Kulpi Hall Committee to host inclusive events for all community members and supported the project aim of breaking down rural isolation barriers.

During a series of community engagement workshops at New Acland, the need for tourism signage was a recurring theme across the region. With feedback from the community, a number of large signs have been designed, highlighting tourist attractions in the broader region. The purpose of these signs is to link the smaller communities in the district to encourage visitors to extend their stay in the area.

Cultural heritage

New Hope Group has worked, and will continue to work closely with Indigenous custodians of the land upon which we operate to identify and preserve Indigenous cultural heritage through surveys and formal training, and in line with applicable policy, legislation and formal agreements.

New Hope Group's relationships with Indigenous custodians are established and strengthened through:

- The salvage and protection of Aboriginal artefacts and sites;
- Partnerships that empower Indigenous students;
- Community committee representation; and
- Employee and contractor training.

BENGALLA SCHOLARSHIPS SUPPORTING LOCAL STUDENTS DURING UNIVERSITY

Each year the Bengalla Undergraduate Scholarship Scheme awards seven scholarships to year 12 students from local high schools to assist with the financial impacts of their tertiary studies. The Scheme is now in its 21st year for Muswellbrook High School and for the third year running, we have extended this to students at St Joseph's Aberdeen High School, Scone High School and Scone Grammar School.

The Bengalla Engineering Scholarship is offered each year to a local year 12 student who intends to study Engineering at an Australian university the following year. It also offers practical experience through on-site vacation work. This gives students the opportunity to develop their skills and partner with industry experts at Bengalla. Recently, one of the recipients of the scholarship, who has completed her university degree, returned to Bengalla and is now employed full time at the Coal Handling and Preparation Plant (CHPP) as a Graduate Process Engineer in the Maintenance Team.

These scholarships are an important part of our School to Careers Pathways and as of FY20, we have assisted over 100 students since the two scholarships commenced.





SUPPORTING THE UPPER HUNTER REGION THROUGH THE PANDEMIC

COVID-19 has taken a massive toll on our local communities, none more so than the Upper Hunter region near Bengalla. The region has been hard hit with one of the highest rates of job and income loss in NSW.

Our Community Support Team at Bengalla assisted the region during COVID-19, offering both financial and in-kind donations, including a \$10,000 cheque to Upper Hunter Community Services (UHCS). The funds were utilised by UHCS to assist those who experienced a loss of income because of the pandemic.

Vouchers were provided to local grocery stores and other small businesses in need. This enabled individuals and families to purchase essential items and supported local businesses and the local economy. It also allowed UHCS to monitor the impact of the pandemic on the wellbeing of families and provide direct assistance when needed.

In FY20, Bengalla also provided surplus computers to organisations such as Edinglassie Rural Fire Service (RFS) and Scone Neighborhood Resource Centre, as well as to local families to assist students during home schooling. In addition, 350 large bales of hay were donated to local farmers who were impacted by drought.

Table 8: Community investment

INDICATORS	UNIT OF MEASURE	YEAR TO 31 JULY 2020	YEAR TO 31 JULY 2019	YEAR TO 31 JULY 2018	YEAR TO 31 JULY 2017
Wages and salaries (including on-costs)	\$ million	182.9	174.3	90.5	87.9
Contributions to government (including taxes and royalties)	\$ million	129.3	243.2	145.8	73.8
Sponsorships and partnerships	\$ million	1.6	1.9	0.5	0.6

Table 9: Community Support Program

INDICATOR	UNIT OF MEASURE	YEAR ENDED 31 JULY 2020
Total community investment fund spend	\$ million	1.6
New Acland, West Moreton, Lenton Joint Venture, QBH, Bridgeport, North Surat, APC	\$ million	0.32
Bengalla (Bengalla Community Development Fund)	\$ million	1.25
Total number of Recipients	#	160 ¹
Social and community	#	31
Community safety, health and welfare	#	32
Environment & land management	#	4
Education, training, capacity building and youth support	#	31
Indigenous participation	#	2
Arts & entertainment	#	4
Sport & recreation	#	45
Agriculture	#	2
Economic development	#	9

1 This value is reported as a combination of financial and non-financial (in-kind) activities and programmes (i.e. scholarships and volunteer days).

Water stewardship

Water is a valuable resource shared with our communities. Recognising this, our sites have individual, tailored water management plans in place.

At New Acland, we minimise our impact on the groundwater system by utilising a purpose built 45 kilometre pipeline to transfer recycled water from Toowoomba's Wetalla Water Reclamation Facility for use in our operations. This recycled water is the primary source of water for the mine and also services our neighbouring operations at APC for crop irrigation and stock water.

We aim to provide adequate water for New Acland while minimising environmental impacts by collecting and managing runoff water from disturbed areas. Where possible, stormwater runoff from undisturbed areas both on and surrounding the mine site is diverted away from disturbed areas and directed into adjacent waterways. We capture runoff water from disturbed areas in purpose built environmental dams and use this for dust suppression and in the coal handing and preparation plant (CHPP). At New Acland we also treat small amounts of shallow groundwater sources to supply potable water for drinking and bathrooms.

At Bengalla we have water management plans that are designed to optimise the sustainable use and management of water resources. The main water source at Bengalla is the Hunter Regulated River System, however, our other sources of water include sediment water and runoff from the mine which we collect in sediment traps, settling dams and storage dams and reuse onsite where required. We also recycle water from both the showers and the vehicle wash bay through the wastewater treatment plant and re-use this onsite. We aim to minimise our impact on clean water at Bengalla by using dams, pipelines and associated drainage structures to redirect clean water away from disturbed areas.

In FY20, we commissioned a new enlarged discharge dam at Bengalla, more than doubling its capacity to 700ML, further enhancing our site water management system.



Table 10: New Hope total water withdrawal by category

CATEGORY	UNIT OF MEASURE	ACLAND	BENGALLA	BRIDGEPORT	LENTON JOINT VENTURE	JEEBROPILLY	TOTAL
Surface Water	ML	1580	1726		245		3551
Groundwater, including dewatering	ML	385	113				498
Third party water	ML	1530				4	1534
Produced water	ML			2685			2685

Table 11: Water usage at New Acland FY17–FY20

INDICATORS	UNIT OF MEASURE	YEAR TO 31 JULY 2020	YEAR TO 31 JULY 2019	YEAR TO 31 JULY 2018	YEAR TO 31 JULY 2017
Toowoomba recycled waste water available	ML	3,000	3,000	3,000	3,000
Toowoomba recycled waste water used at New Acland	ML	1,530	2,186	1,116	1,979
Bore water used at New Acland	ML	10	8	9	8
Water recycled	ML	2,157	4,812	5,071	Not available

RECYCLED RAINWATER TO WASH COAL

From mid-February to July 2020, we did not use our water allocation from the Wetalla Water Reclamation Facility at New Acland. Instead, we used rainwater collected from mine pits and continuously recycled it through the CHPP where it is used to wash coal.

We pumped water from the CHPP to our in-pit tailings storage facility (TSF) along with coal tailings. We added a flocculant which separates sediments from the water so a greater volume of clean water from the in-pit TSF can be pumped back into holding ponds for re-use.

By removing water from our New Acland in-pit TSF we create a stable foundation that allows a significantly larger volume of tailings to be deposited, thereby reducing the number of in-pit TSFs required over the life of the mine.

Operational energy and emissions footprint

Consistent with our core value of Responsibility, New Hope is committed to minimising our operational energy and emissions footprint.

We report on emissions, energy consumption and energy production to the Clean Energy Regulator in accordance with the National Greenhouse and Energy Reporting legislation. We also report annually under the National Pollutant Inventory legislation. New Hope continually identifies opportunities to reduce both energy usage and emissions intensity across our operations.

Our Scope 1 and Scope 2 emissions¹ and energy consumption increased significantly over the reporting period, which is largely due to the inclusion of the Bengalla Mine in the Group's figures for the full reporting period, for the first time.

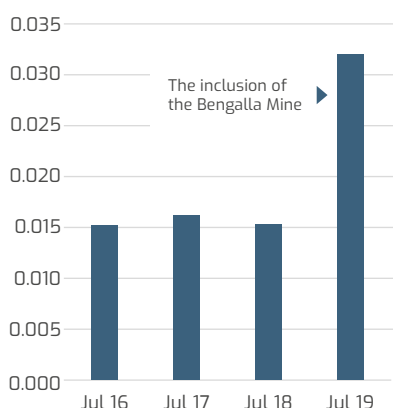
The coal at New Acland has an international reputation as one of the lowest greenhouse gas producing coals in the world, and the mine is categorised as a 'low emissions' mine².

Bengalla has implemented a number of measures to minimise the release of greenhouse gas (GHG) emissions from its operations. These include the successful implementation of B2 biodiesel, the optimisation of fleet operating conditions and the use of high efficiency electric motors and lighting systems.

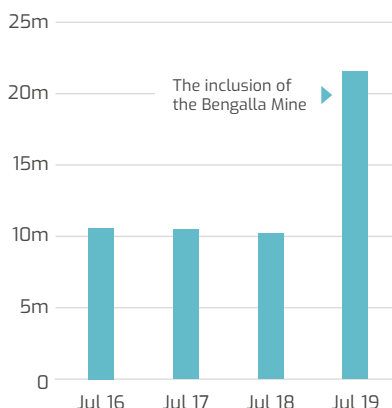
Table 12: Operational Scope 1 and 2 GHG Emissions and Energy Consumption³

INDICATORS	UNIT OF MEASURE	YEAR TO 31 JULY 2019	YEAR TO 31 JULY 2018	YEAR TO 31 JULY 2017	YEAR TO 31 JULY 2016
Total Scope 1 and Scope 2 greenhouse gas emissions	tCO ₂ -e	689,711	156,100	170,200	160,800
ROM production	tonnes	21,534,917	10,202,614	10,506,173	10,578,947
GHG emissions intensity (tCO ₂ -e per tonne ROM coal produced)	tCO ₂ -e/t	0.0320	0.0153	0.0162	0.0152
Total energy use	Gigajoules (GJ)	4,370,425	1,391,588	1,422,152	1,419,616
Energy intensity (GJ per tonne ROM coal produced)	GJ/t	0.2029	0.133	0.135	0.137

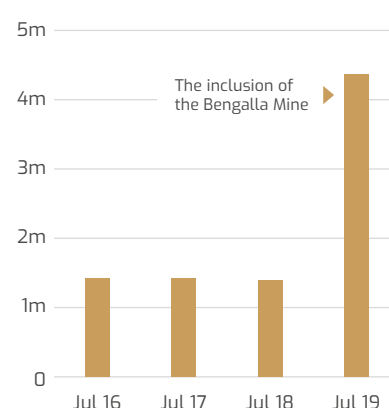
GHG emissions intensity (tCO₂-e per tonne ROM coal produced)



ROM production (tonnes)



Total energy use (Gigajoules (GJ))



1 Scope 1 greenhouse gas emissions are released to the atmosphere as a direct result of an activity. Scope 2 greenhouse gas emissions are released to the atmosphere from the indirect consumption of an energy commodity.

2 New Acland is defined as a 'low gas mine' in accordance with the National Greenhouse and Energy Reporting (NGER) legislation and related Australian Coal Association Research Program (ACARP) guidelines.

3 The scope 1 and 2 GHG emissions and energy consumption data have been reported on an operational control basis. We report our scope 1 and 2 GHG emissions and energy consumption data with a one year lag due to the timing of the annual scope 1 and 2 GHG emissions and energy consumption data, which is due for submission to the Clean Energy Regulator on 31 October 2020. Our FY20 data will therefore be disclosed in our FY21 Sustainability Report.



Waste and tailings storage facilities management

Waste

New Hope adopts a responsible approach to the management of both hazardous and non-hazardous waste. Our sites have management plans that include the appropriate disposal, tracking and reporting of mineral and non-mineral waste.

We continue to focus on effective waste stream segregation to maximise recycling and reuse and ensure compliance to waste management regulations. We collect hazardous (mainly effluents and waste oils) and non-hazardous waste (including scrap steel, mixed solid waste and timber) and either recycle or dispose of it through third party providers.

During the reporting period we recycled 1,585 tonnes of waste.

Tailings storage facilities

At New Acland, we have four non-operational tailings storage facilities (TSFs) which are either fully or partially rehabilitated and one operational in-pit TSF. We manage the long-term integrity and operating effectiveness of the TSFs through tailings beach development to minimise the pond area for tailings water, minimising water volume, regular inspections, and monitoring of key infrastructure including embankments, emergency spillway and pumping and pipeline systems.

Bengalla processes tailings within the CHPP. Once tailings are separated from the washed coal, the tailings are put through a series of belt press filters that separate the majority of the water from the tailings. The tailings are then placed into cells within the overburden emplacement while the separated water is recycled and reused on site.

At Jeebropilly, our TSF is located within the existing mining excavation. Consequently, there is low risk of breach.

The Burton mine has two co-disposal areas which we manage in accordance with legislative requirements. As Burton is under care and maintenance, we are not placing any material in the co-disposal areas.

Table 13: Total waste collection and recycling

INDICATORS	UNIT OF MEASURE	YEAR TO 31 JULY 2020	YEAR TO 31 JULY 2019
Total hazardous waste	Tonnes	1,168	1,042
Total non-hazardous waste	Tonnes	1,657	2,523
Total hazardous and non-hazardous waste	Tonnes	2,825	3,565
Total waste recycled	Tonnes	1,585	1,507
Percentage of total waste recycled	%	56%	42%



Air quality and noise

Noise

As a responsible member of the communities in which we operate, we strive to minimise noise and disturbance on our neighbours. We have implemented an extensive range of management measures that effectively address and reduce potential noise and vibration impacts.

At New Acland, we recently installed three environmental noise compasses to help us manage noise from the mine in real-time. We work with our neighbours to rectify potential noise issues, irrespective of the time of day. We monitor weather conditions to understand how noise is likely to travel, and plan activities accordingly. Excavators, dozers, loaders and other machinery are modified to help reduce noise and we also use stockpiles and bunds as noise barriers.

At Bengalla, we conduct noise monitoring at a number of locations both on and offsite and complete noise mitigation including the full enclosure of our CHPP.

Air quality

We seek to effectively address and reduce air quality impacts at New Acland by employing the following dust mitigation measures:

- Dust curtains on drill rigs;
- Minimising the drop height of material from excavators when loading trucks;
- Water carts operating on mine roads and work areas;
- Modification or suspension of operations on overburden dumps if dust generation is excessive;
- Minimising the exposure time of pre-strip areas following clearing in advance of the mine;
- Establishing vegetation cover on rehabilitated areas as soon as possible; and
- Automatic water sprays on hoppers, transfer points and stockpiles at the CHPP.

Real time dust and air quality monitoring is also undertaken at our Jondaryan Rail Loading Facility to manage dust impacts in the community. Our supervisors receive alarms when levels are increasing and action as required.

At Bengalla we have implemented procedures for the management of odour, fume, dust and greenhouse gas emissions and utilise real-time air quality monitors to measure dust levels to ensure a proactive approach to managing our operations.

AIR QUALITY MONITORING STATIONS MEASURING DUST LEVELS

New Hope is committed to ensuring our operations do not pose a threat to the air quality in communities in which we operate.

We have installed a number of air quality monitoring stations which measure the potential dust impacts on our neighbours. For example, a series of stations are located in and around QBH and along the south-west rail corridor.

Over the past 30 years of ship loading operations at QBH, there has been no evidence of significant dust levels occurring adjacent to our coal terminal, or further afield.

The Queensland Government, in partnership with two local community groups, also installed a series of dust monitors along the same rail corridor and throughout the adjoining suburbs to quantify dust levels in the atmosphere. This community led monitoring program found dust levels along the rail corridor did not exceed environmental standards. It also found dust levels were similar to, or lower than, those recorded at non-rail sites in Brisbane.

At QBH we use a number of controls to manage the potential for dust including:

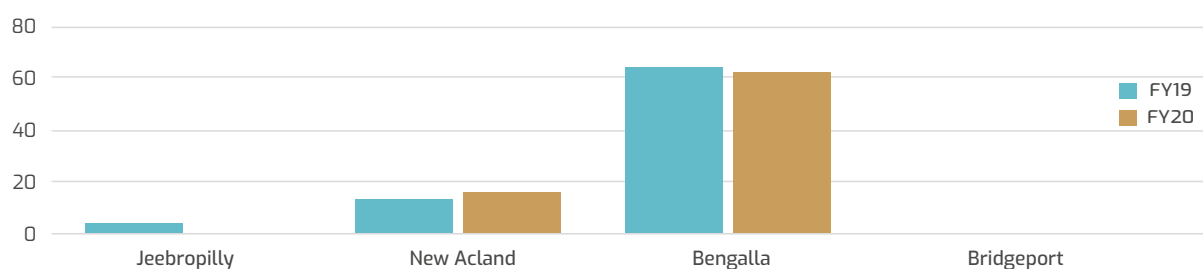
- Using sprinklers on overhead gantries and the coal stacker to wet down stockpile surfaces if dust is observed;
- A water cart for dust management;
- A sophisticated dust forecasting system which considers wind, speed, temperature, and recent rainfall in creating a dust index for site use;
- Minimising bulldozer movements to prevent excessive coal stockpile disturbance;
- Maintaining fully closed elevated coal conveyors; and
- Video monitoring to ensure satisfactory coal unloading processes.



Table 14: Total complaints by category

COMPLAINTS	YEAR ENDING 31 JULY 2020	YEAR ENDING 31 JULY 2019
Total complaints received	78	81
Jeebropilly		4
New Acland	16	13
Bengalla	62	64
Bridgeport		
Noise complaints		
Jeebropilly		
New Acland	12	13
Bengalla	3	4
Bridgeport		
Air quality complaints		
Jeebropilly		
New Acland		
Bengalla	23	38
Bridgeport		
Blasting complaints (overpressure, vibration, fume)		
Jeebropilly		
New Acland	3	
Bengalla	22	16
Bridgeport		
Waste complaints		
Jeebropilly		
New Acland		
Bengalla		1
Bridgeport		
Visual complaints (light)		
Jeebropilly		
New Acland		
Bengalla	8	1
Bridgeport		
Other complaints		
Jeebropilly – odour	1	4
New Acland	1	

Total complaints – July 2018–July 2020



Ethical business conduct

Code of Conduct

New Hope's Code of Conduct is one way we put our Vision, Purpose and Values into practice. Results are very important to our business, but how we get things done is equally so. The Code guides us to do the right thing and helps us to ensure our success now and in the future. It helps us to navigate the important relationships we have with our people, community and customers, and empowers us to continue providing long-term value to our shareholders.

The Code applies to everyone who works for or with New Hope Group, including employees, contractors, suppliers, Executive Officers and Directors of New Hope Group.

The key components of the Code include expectations for all our employees, contractors and directors to:

- Treat each other, the community and all external parties with respect, courtesy and fairness;
- Understand and meet all requirements within the Code of Conduct as well as the policies and guidelines that apply to their work;
- Raise all questions and concerns, and never demonstrate retaliation for someone raising a concern;
- Never ignore a potential breach of the Code of Conduct and speak up accordingly;
- Follow all health and safety requirements, relevant government regulations and legislation and appropriate professional standards; and
- Not act in a manner that is designed to gain unfair advantage for themselves or for other individuals, family, friends or business acquaintances.

'Speak Up' Whistleblower Policy

New Hope is committed to the highest standards of conduct and ethical behaviour in all of our business activities. The Group's 'Speak Up' Whistleblower Policy provides protection to New Hope people (current and former officers, employees, associates and suppliers, including suppliers' employees, including the relatives, dependents and spouses of those people) to report potential misconduct and to explain how they can do so safely and securely by making a disclosure to a Designated Recipient without fear of reprisal, dismissal or discriminatory treatment.

Contact details for Designated Recipients are available for employees on the New Hope intranet or by calling New Hope reception on 07 3418 0500.

Disclosures of potential misconduct can also be made by:

- Sending an email to the Whistleblower Protection Officer at speakup@newhopegroup.com.au; or
- Writing to the Company (for the attention of a Designated Recipient) at GPO Box 2440, Brisbane, Queensland 4001 or Level 16, 175 Eagle Street, Brisbane, Queensland 4000.







Sustainable Legacy

The Sustainable Legacy pillar reflects how we invest and manage our responsibilities to ensure that we leave the areas in which we operate in a better state than before we commenced operations.

Rehabilitated
disturbed
land

248HA

893 local
suppliers with
total spend of

\$402M

Recycled
wastewater used
at New Acland

99%

Priority SDGs





Economic development of local and regional communities

We recognise the importance of supporting the economic development of the communities in which we operate. Our economic contribution can be measured through the salaries and other employment benefits we provide to our employees, the money spent on procuring goods and services from local suppliers and contractors, the taxes and royalties paid to local, state and federal governments, and our investment in community initiatives.

Local employment

As a non-FIFO (fly-in fly-out) employer, the majority of our employees who work at Bengalla and New Acland live within driving distance of their workplace.

Local procurement

We focus on working with local suppliers to maximise socio-economic benefits for our local communities. Our local procurement policies support suppliers close to our operations. We engage with prospective suppliers at community events and information sessions to build a sustainable value chain. In FY20, we spent 46 per cent of our procurement budget with local suppliers.

Table 15: Suppliers by geographical region

INDICATORS	YEAR TO 31 JULY 2020	YEAR TO 31 JULY 2019	YEAR TO 31 JULY 2018	YEAR TO 31 JULY 2017
Number of local suppliers	893	851	479	503
By region				
New South Wales	409	338	Not applicable	Not applicable
Queensland	484	513	479	503

Table 16: Spending on local suppliers

INDICATORS	YEAR TO 31 JULY 2020 (\$M)	YEAR TO 31 JULY 2019 (\$M)	YEAR TO 31 JULY 2018 (\$M)	YEAR TO 31 JULY 2017 (\$M)
Payments made to local suppliers	402.0	372.3	281.2	279.6
By region				
New South Wales	174.6	85.4	0	0
Queensland	227.4	286.9	281.2	279.6
Total payments to all other suppliers	470.8	317.3	77.7	76.3

Taxes and royalties paid

In FY20, the following taxes and royalties were paid:

- \$50.9M federal
- \$66.7M state
- \$11.8M local



Rehabilitation and biodiversity

Rehabilitation

New Hope is an industry leader in progressive rehabilitation of land that has been disturbed by mining operations. As custodians of the land on which we operate, we have a responsibility to future generations and are proud of our rehabilitation work.

New Hope is committed to ensuring land is returned to an environmentally and economically sustainable land use as mining is completed. This approach aligns with industry standards and site approval commitments that seek to achieve long term protection and management of the post mine landscape.

We continue to assess and evaluate our approach, including land contouring and re-establishment processes, to ensure we remain the industry leader in the rehabilitation of mine sites.

In FY20, we continued our focus on rehabilitation with a further 248 hectares of disturbed land across our sites rehabilitated – proof of our commitment to the environment and future generations.

At New Acland, scientific grazing trials over five years have assessed livestock production performance on our rehabilitated land. The results of these trials showed our

rehabilitated land was a stable, safe environment for grazing with productivity at least as good as equivalent pastures on unmined land in the local area.

At Bengalla, we rehabilitate progressively following the completion of surface preparation. We spread inert capping material and topsoil over areas to be rehabilitated which maintains topsoil quality and the presence of native seed banks. This approach also minimises our areas of disturbed land, reduces future rehabilitation liabilities, minimises visual impacts, and helps suppress the potential for wind-blown dust and erosion.

In FY20, we rehabilitated 21 hectares of land at Bengalla. In addition, we planted approximately 17,000 trees on more than 12 hectares of our overburden emplacement area.

At West Moreton, we moved 315,000 bank cubic metres of material into the Normanton Pit void with the reshaping of the final landform and establishment of drainage structures to take place in 2020-21.

At Bridgeport, 15 hectares of our evaporation ponds will be converted to fodder production next year. A trial will commence once a stockproof fence to keep out livestock and kangaroos is erected.

NEW OAKLEIGH TRIAL INTRODUCES OVER 100 CATTLE IN REHABILITATION AREA

New Hope is a world leader in rehabilitation practices which is evident at our former New Oakleigh mine (part of West Moreton).

In FY20, we commenced a trial introducing over 100 cattle to the New Oakleigh western rehabilitation area. The trial will measure both weight gain and pasture performance over a four to six-month period with the cattle monitored, weighed and assessed regularly to determine their health and condition.

This trial is similar to one conducted recently at New Acland in partnership with the University of Queensland.

This is another clear demonstration of our commitment to developing sustainable post mining land use.



Rehabilitation and biodiversity (continued)

Table 17: New Hope rehabilitation summary (FY20)

INDICATORS	UNIT OF MEASURE	GROUP TOTAL	NEW ACLAND	BENGALLA	QBH	WEST MORETON	BRIDGEPORT	LENTON JOINT VENTURE
Total Land disturbed	ha	6,779	1,524	918	NA	1,435	200	2,702
Total Land rehabilitated during the reporting period	ha	248	59	21	NA	150	18	–
Total Cumulative Area rehabilitated	ha	2,738	664	255	NA	1,014	18	787

Biodiversity

New Hope is committed to the protection and management of the post-mine landscape to achieve a range of biodiversity, aesthetic and agricultural values.

Bengalla’s Biodiversity Offset Strategy covers 6,215 hectares of land including broad areas of native forest and woodland which are maintained as offsets for the impacts to biodiversity predicted in the Bengalla Environmental Impact Statement.

At our Queensland Bulk Handling (QBH) facility, we have undertaken proactive work with the Bulimba Creek Catchment Coordinating Committee to improve biodiversity by planting vegetation on the southern perimeter and around the offices to extend the wildlife corridor with native plant species.

USE OF BIOSOLIDS FOR REHABILITATION AT WEST MORETON

Biosolids have been successfully utilised as an alternative growth medium for rehabilitation at West Moreton over the past five years. Biosolids are primarily the nutrient-rich organic solid material produced by the municipal wastewater treatment process.

The beneficial use of biosolids promotes vegetation development on mine soil, contributes to moisture retention and assists in stabilising the re-contoured final landform. Biosolids can be used as the primary growth medium where topsoil availability is limited, or to supplement and improve existing topsoil properties.

In FY20, with strict controls in place, we applied biosolids to approximately 100 hectares of rehabilitated areas at Jeebropilly (within West Moreton), which in our experience produces more vigorous and dense revegetation of pasture grass compared to areas where topsoil reserves have been utilised.

We also commenced a technical comparative analysis of biosolids versus topsoil-only rehabilitation sites at West Moreton. We will share the learnings with industry and government partners in the hope our successful implementation of this innovative and beneficial practice will be considered more widely in the mining industry.





Mine closure

Mine closures have the potential to adversely impact the environment, community, our employees and other stakeholders in different ways. New Hope is committed to investing in sustainable closure once mining operations have ceased. This means we leave the area of our operations in a state that enables future viability, not only for the environment but also the local community.

In December 2019, New Hope ceased mining at West Moreton. We ensured a robust mine closure strategy through the establishment of a West Moreton Closure Steering Committee which ensured all aspects of the mine closure were managed successfully, including rehabilitation, asset removal and reuse, community, supplier and employee engagement, and change management.

We also engaged with impacted groups including employees, suppliers and members of the broader community to manage the impacts of closure on people and communities. Our approach was to identify those employees who were able to transition to other roles within the business and also support employees transitioning out of the business.



FINISHING WELL PROGRAM IMPROVING EMPLOYEE WELLNESS

West Moreton created the 'Finishing Well' program to meet the needs of our employees and site-based contractors at Jeebropilly. The program won two industry awards in 2020 – the Bowen Basin Mining Club's Employee Engagement Award and the Australian Mines and Metals Association's Workforce and Workplace Relations Innovation Award.

Key achievements of the program included:

- **Staff Retention:** we achieved a 98.9 per cent retention rate over the life of the program which was extremely important to our staff morale and culture;
- **Safe Production:** we delivered our highest operating profit in history in FY19, while maintaining a TRIFR below the industry average;
- **Financial Wellness:** our tailored program ensured financial knowledge and the ability to effectively manage finances and redundancy to all our employees and site-based contractors;
- **Fit for Change:** all our employees and contractors were 'transition ready' and empowered for change. All our personnel were armed with professionally written resumes accompanied with job seeking and interview techniques acquired via mentoring and coaching by industry professionals; and
- **Culture:** our positive culture was maintained at all times with 'Finishing Well' becoming part of the language, and the closure viewed as a 'success' rather than a failure.

Glossary

ACRONYM	MEANING
APC	Acland Pastoral Company Pty Ltd
ASX	Australian Securities Exchange
BAC	Bengalla Agricultural Company Pty Ltd
CHPP	Coal Handling and Preparation Plant
CRG	Community Reference Group
CV	Calorific value
EAP	Employee Assistance Program
FIFO	Fly-in fly-out
GAR	Gross as received
GJ	Gigajoules
GRI	Global Reporting Initiative
HA	High ash
HELE	High efficiency low emissions
IEA WEO	International Energy Agency's World Energy Outlook
TSF	Tailings storage facility
LETA	Low Emissions Technology Australia
LTIF	Lost time injury free
MCA	Minerals Council of Australia
Mtce	Million tonnes of coal equivalent
NAIDOC	National Aborigines and Islanders Day Observance Committee
NSW	New South Wales
NSWMC	New South Wales Minerals Council
QBH	Queensland Bulk Handling
QRC	Queensland Resources Council



ACRONYM	MEANING
RFS	Rural Fire Service
SDG	Sustainable Development Goals
SE	Southeast
SLP	Safety Leadership Program
TCFD	Taskforce on Climate-related Financial Disclosures
TRIFR	Total recordable injury frequency rate
UHCS	Upper Hunter Community Services
WGEA	Workplace Gender Equality Agency

Corporate directory

Principal Administration & Registered Office

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Share Register

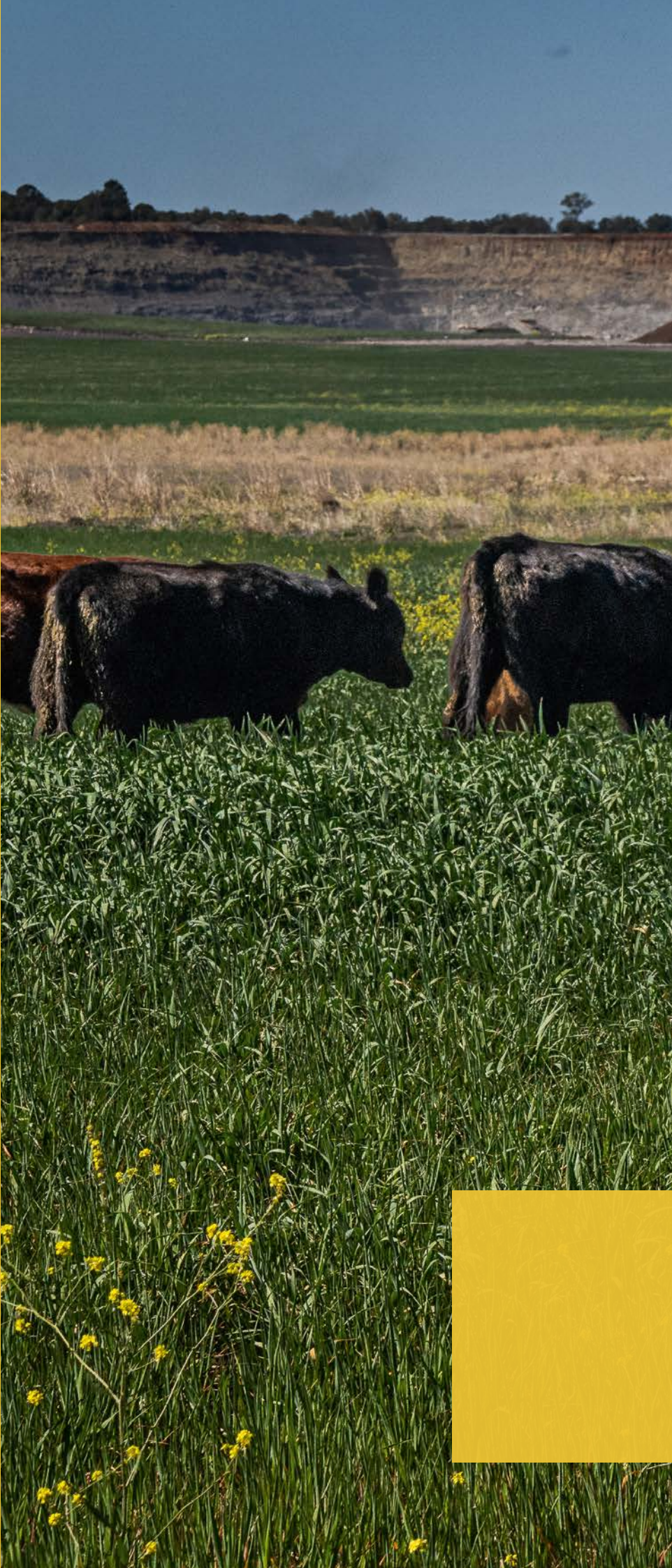
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