![Stanmore logo] stanmore

Protect.
Enhance.
Sustain.

CONTENTS

1. ABOUT THIS REPORT

> "
>
> **This Sustainability Report covers the Environmental, Social and Governance** performance, policies and practices of Stanmore Resources in 2021.
>
> "

The scope of this Report is focused on Stanmore Resources Limited, previously Stanmore Coal Limited.

This Sustainability Report ("**Report**") covers the Environmental, Social and Governance ("**ESG**") performance, policies and practices of Stanmore Resources in the calendar year 1 January 2021 to 31 December 2021 ("**2021**").

In preparing this Report, the Global Reporting Initiatives ("**GRI**") Standards including "Core" and the GRI 12: Coal Sector 2022 Standard was also referenced, however, this Standard was not in effect during the 2021 year. The GRI Standards were chosen as the reference and framework for this Report as they are internationally recognised and provide robust guidance surrounding required disclosures.

The United Nations Sustainable Development Goals ("UN SDGs") are an urgent call to action by all countries in a global partnership to achieve a better and more sustainable future for all. In this Report, we have highlighted the UN SDGs which align to our business practices.

We have not sought external assurance for disclosures in this report. We will consider external assurance in the future as our ESG and sustainability reporting matures.

Contact information for any queries in relation to this report:

Stanmore Resources Limited (ACN 131 920 968)

Corporate Office Address
Level 32, 12 Creek Street
Brisbane QLD 4000 Australia

Postal Address
GPO Box 2602
Brisbane QLD 4001 Australia

Telephone	+61 (7) 3238 1000
Website	stanmore.net.au
Email	info@stanmore.net.au
ASX Code	ASX:SMR
Share Registry	Link Market Services Ltd

2. INTRODUCTION

2.1 Our Business and Approach

Our Vision

"

To be a leading resources company in Australia, creating value through sustainable development.

"

Mission Statements

Genuine care for our people, their safety, the environment and the stakeholders involved with our operations.

Achieve sustainable development by:

- **Having high standards and a strong safety and health culture**
- **Responsibly managing and maximising extraction of our resources and reserves via best-in-class mining practices**
- **Ensuring the continuity of our business by fostering and developing growth and reserve replacement initiatives**
- **Developing projects in the renewable energy space to support our existing businesses reducing our carbon and emissions footprint**

Building and fostering a culture of an agile, entrepreneurial and simple organisation.

Focusing on continuous improvement and operational excellence.

Company Values

Commitment — We are committed to safety as our number one priority and to always achieving the best possible outcome

Integrity — We do the right thing

Innovation — We develop processes/ideas that increase productivity and company growth

Continuous Improvement — We aim to continuously enhance ourselves and our operations

Positive Attitude — We display encouraging behaviour that builds and fosters lasting relationships

Loyalty — We implement the company's core values in our day-to-day operations

Our Business

Stanmore Resources Limited ("**Stanmore**") is an Australian company with mining operations and exploration projects in the Bowen and Surat Basins in Queensland. Our corporate office is located in Brisbane on Mianjin country, while our mining leases sit within Barada Barna country.

Our business is the production of metallurgical coal, also referred to as coking coal, which is used in the primary steel-making process. Our foundation asset is the Isaac Plains Complex ("**IPC**") which comprises:

- Isaac Plains (ceased) and Isaac Plains East, and Isaac Downs mines. These open-cut coal mines have a current product coal output of approximately 2.4Mtpa, providing an economic mine life of up to six to eight years

- Isaac Plains Underground development project. A Bankable Feasibility Study has been completed for a potential underground extension in the eastern portion of the Isaac Plains mining lease. The project development phase has been deferred until additional port capacity can be sourced at competitive prices

- Operating Infrastructure. This includes dragline, coal handling and preparation plant, site infrastructure and train load out facilities.

In addition to our operations and development projects, we have a portfolio of more than 2,000km^2 of highly prospective, granted exploration tenements located in the Bowen and Surat Basins.

2021 also saw Stanmore acquire a 50% interest in the Millennium and Mavis Downs Joint Venture, enter into an agreement to acquire an 80% interest in the BHP Mitsui Coal Pty Ltd joint venture ("**BMC**") and transition existing operations to our Isaac Downs location following approval by the Queensland Government in mid-2021.

As we continue to manage our climate change risks, we have an opportunity to contribute to and develop carbon reduction programs and technologies. To do this we have created a subsidiary called 'Stanmore Green', through which we will partner with organisations and governments to identify technologies and projects for reducing our carbon emissions and improve our environmental performance.

As of 31 December 2021, Stanmore had a workforce of 344 which included Golding Contractors Pty Ltd ("**Golding**") personnel. This figure is set to increase in 2022 as a result of an expanded workforce through our acquisition of BMC. During 2021, Stanmore had a principal contract arrangement with Golding who is responsible for the mining and coal handling and preparation plant operational activities at IPC.

OUR SUPPLY CHAIN

We procure goods and services from a broad range of industries to facilitate and maintain our operations, with key activities and required suppliers in the supply chain as follows:

- To conduct exploration activities, we require specialised drilling contractors, geophysical contracts, assay laboratories and consultants

- To conduct our mining operations, we require open pit mining equipment, hire and maintenance contractors, open pit drilling and blasting contractors, fuels, lubricants and explosive suppliers

- For coal processing we require grinding media, reagents and shutdown contractors

- For delivery of our coal product, we require transport by rail and ship within Australia and internationally.

During 2021 our direct suppliers were predominately located in Australia, with over 95% of our expenditure having also been paid to Australian registered suppliers. Stanmore had over 280 active suppliers during the year and procurement expenditure of over $300 million.

PROCUREMENT

>280 Active suppliers

>$300m Expenditure

LEGEND

Regional Features

— Roads; Tracks
— Rivers; Creeks
—+— Railway
- - - Proposed Surat Basin Rail Link
░ Mining Lease

Stanmore Tenements

■ EPC
■ MDL
■ ML
■ ML - Metres Tenements
Stanmore 50% Joint Venture

MGA94   GDA94   55

0   30   60   90km

STANMORE RESOURCES

2022 Tenement
Location Plan
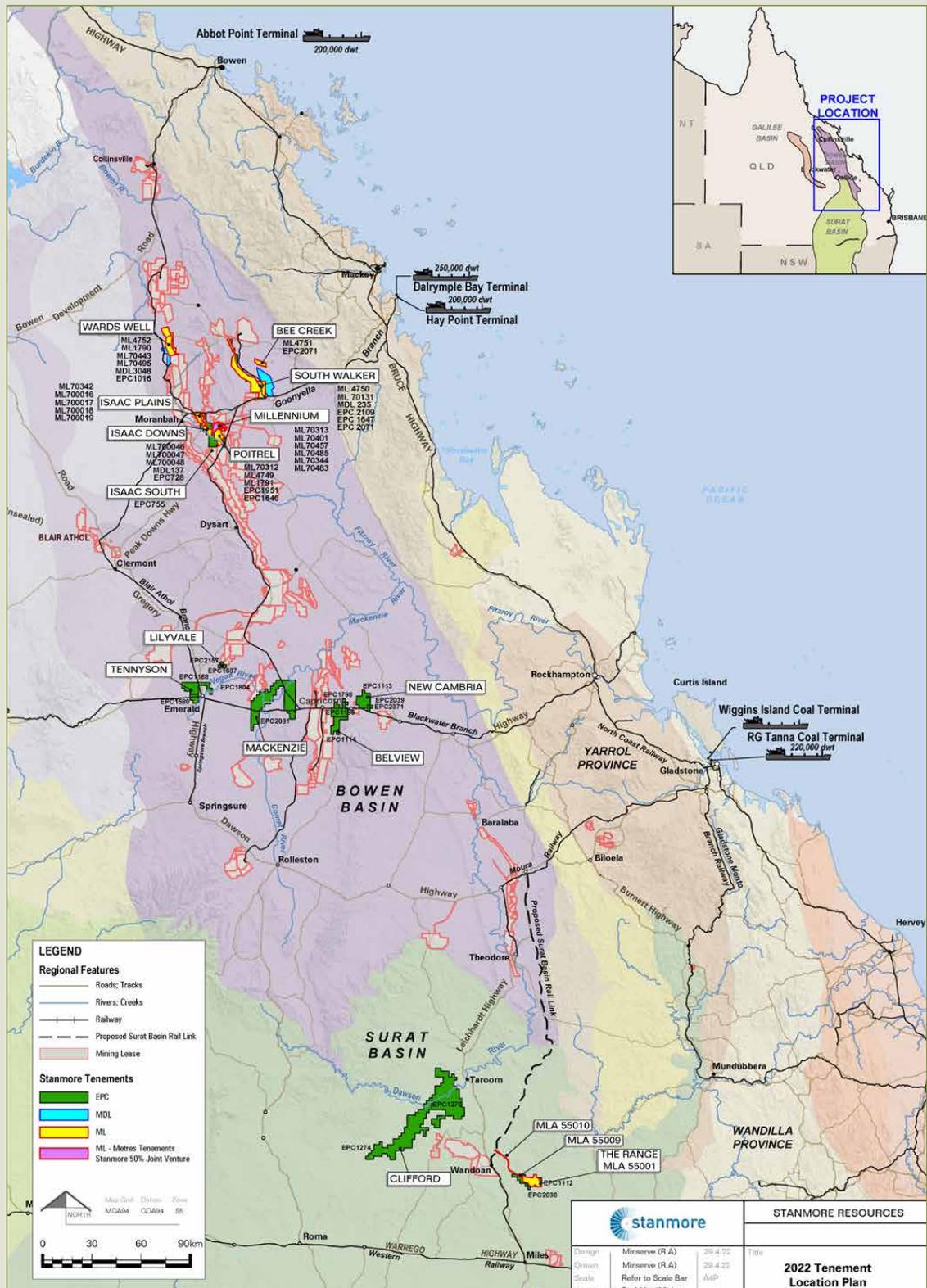
## Our Economic and Operational Performance

2021 was a transformational year for Stanmore's operations with the completion of a 50% interest in the Millennium and Mavis Downs Joint Venture, commencement of the Isaac Downs Project and an announcement of an agreement to acquire an 80% interest in BMC.

The acquisition of the M Mining Pty Ltd managed and operated Millennium and Mavis Downs metallurgical coal mines from Peabody Energy Australia was completed in July 2021 resulting in Stanmore having a 50/50 joint venture with M Resources Trading Pty Ltd ("**M Resources**"), and the first Run of Mine ("**ROM**") coal being produced in the third quarter of 2021 and exported in the fourth quarter.

With BMC owning high quality metallurgical coal assets with mineral resources of 2,245 million tonnes and total coal reserves of 171 million tonnes based on current open cut operations, this sets Stanmore on track to become a leading Australian supplier of metallurgical coal to the global markets. It also provides us with the potential to realise operational synergies between Stanmore's current portfolio and BMC including via access to BMC's infrastructure portfolio and an additional 10.5 million tonnes of annualised metallurgical coal production through the BMC assets.

Financial and Operational Highlights

$382m
Total Revenue

$10.4m
Net Profit

$54.5m
EBITDA

2,070Kt
Saleable Coal Production

Our Value Chain

Stanmore's value chain is represented by the graphic below. Across each stage of this value chain, we aim to optimise the value we create for our stakeholders.

Exploration and Development → **Extraction and Mining** → **Coal Processing** → **Distribution** → **Market and Use**
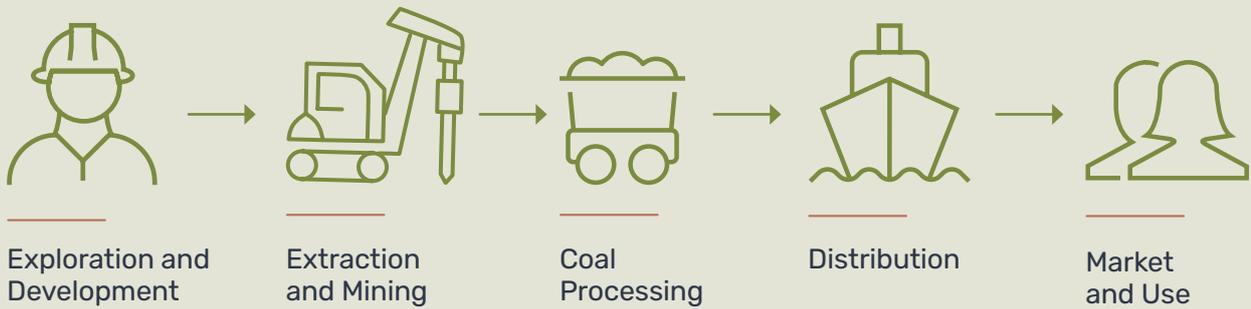
CEO STATEMENT

"

Through partnering with entrepreneurs, universities and governments to identify technologies, we can position ourselves to reduce our carbon footprint and support the goals of the Paris Agreement.

"

2.2   A Message from the Chief Executive Officer

We are pleased to provide our Sustainability Report for the 2021 period. This report outlines our ESG impact, performance and ongoing commitment to sustainable operations.

At Stanmore, we produce, transport and market steel-making coal in a safe and sustainable manner to a growing market, supporting regional economic growth and complying with energy, security, reliability, and sustainability requirements.

Due to the nature of the industry in which we operate, climate change may impact our assets, production, and the markets where our product is sold. The risks that this poses to our business and all ESG elements are key considerations in our business planning cycle and future strategy. We are currently working towards tracking and disclosing our climate-related risks and opportunities in line with the Taskforce on Climate Related Financial Disclosure ("**TCFD**") framework.

We also leverage off our assets and capabilities through our subsidiary, Stanmore Green. This enables us to participate in future commercialisation of carbon reduction technology and support research and development projects in the sustainability space. Additionally, through partnering with entrepreneurs, universities and governments to identify technologies, we can position ourselves to reduce our carbon footprint and support the goals of the Paris Agreement.

Stanmore prioritises the health, safety and wellbeing of our people and the local communities in which we operate. We have a focus on maintaining an organisational culture that strives to meet our goal of no injuries to ensure that all of our people can return home safely each day. Our health and safety performance reflects this commitment with our results remaining lower than industry averages.

Integral to maintaining our health and safety commitments has been our response to the COVID-19 pandemic. During 2021, Stanmore adhered to all Queensland Health and Australian Government rules, protocols and guidelines to provide a COVID-19 safe workplace. To prevent and minimise the spread of infection at our sites, we have implemented COVID-19 safe practices including working from home where possible, virtual meetings and the provision of face masks and testing kits to our people.

2021 has been an exciting year for operations at Stanmore, with our investments positioning us as one of the largest exporters of metallurgical coal in years to come. During July 2021, the investment in Millennium Complex, comprised of the Millennium and Mavis Downs Pits, was completed. This 50% joint venture with M Resources saw the first ROM coal production at the Millennium and Mavis Downs mines during Q3.

We also embarked on an agreement to acquire an 80% interest in BMC during November. The result of this acquisition will see Stanmore operate three mines and three wash-plants, in addition to the joint venture with M Resources. In alignment with our commitment to operate in an environmentally and socially responsible manner, we also undertook extensive due diligence with respect to the ESG performance of BMC.

On behalf of Senior Management, thank you for taking the time to read our 2021 Sustainability Report.

Marcelo Matos
Interim Chief Executive Officer

2021 HIGHLIGHTS

HEALTH AND SAFETY

7.9 per million hours worked

Total Recordable Injury Frequency Rate (TRIFR) lower than industry averages

PEOPLE

Released a **Diversity Policy** in August 2021.

New Cultural Heritage Training for all employees and contractors

LOCAL COMMUNITY

Over

$543,000

invested in health & safety and local community initiatives

GOVERNANCE & ETHICAL BUSINESS PRACTICES

Release of a
Corporate Governance Statement

Release of a
Modern Slavery Statement

REHABILITATION EFFORTS

33 ha of land topsoiled

45 ha of land seeded

ENVIRONMENT
Scope 1 and 2 emissions totalled

130,859 t CO2-e

3. OUR BUSINESS AND SUSTAINABILITY

"

We understand that maintaining and improving our environmental, social and governance business practices is imperative in gaining and retaining the trust of our stakeholders, therefore, we are consistently striving to improve these practices.

"

3.1 Our ESG Approach

3.1.1 Governance

Our commitment to managing our ESG responsibilities is critical to our operations, as it allows us to maintain our social licence to operate, protect our people and our communities. Ensuring that high environmental standards and the principles of sustainable development are key considerations at all levels of our planning and operations.

We understand that maintaining and improving our environmental, social and governance business practices is imperative to gaining and retaining the trust of our stakeholders therefore, we are consistently striving to improve these practices. To enable us to continually improve our ESG performance and business practices, an effective approach and governance structure for ESG is required.

Our Board Health, Safety, Environment and Community ("**HSEC**") Committee works in conjunction with all our business units and contractors to review HSEC aspects of our business and drive ESG practices and improvements. Based on outcomes of the HSEC Committee's ongoing activities they provide advice and make recommendations to the Board on HSEC matters, issues and performance.

The HSEC Committee's specific obligations and activities are set out in the Committee Charter and include the following:

- Providing guidance on HSEC matters and using benchmarking to assist Management in improving Stanmore's HSEC practices and performance
- Assessing and monitoring Stanmore's policies, standards, systems and resources required to meet our HSEC objectives including ensuring periodic reviews of HSEC performance to determine the effectiveness of those systems
- Monitoring compliance with applicable regulatory obligations and internal policies surrounding HSEC
- Monitoring the progress of and responses to internal and external audits and reviews
- Monitoring the management of incidents and any instances of non-compliance with regulatory requirements.

Governance Structure

BOARD OF DIRECTORS
———

HSEC COMMITTEE
———

EXECUTIVE MANAGEMENT TEAM
———

STANMORE BUSINESS UNITS
———

3.1.2   Environmental & Safety Management Systems

In managing our environmental and safety matters and obligations, we have an Environmental Management System ("**EMS**") in place and ensure that our principal contractor has a Safety and Health Management System ("**SHMS**") which applies to our mining and coal handling and preparation plant activities and operations. These outline our specific environmental and health and safety commitments, and the tools we use to manage and comply with our obligations and how we aim to continuously improve on our performance.

Environmental Management System

ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL MANAGEMENT SYSTEM (FRAMEWORK)

POLICY & COMMITMENT	PLANNING	IMPLEMENTATION & OPERATION	EVALUATION & CORRECTIVE ACTION	CONTINUOUS REVIEW & IMPROVEMENT
Corporate environmental/social/ sustainability codes and standards	Identification of environmental systems and potential impacts	Resources, roles, responsibilities, and authority	System monitoring and maintenance	Internal review
Environmental authority	Legal requirements (incl. landholder agreements)	Training, awareness, and competence	Environment and social monitoring	Management review
Industry guidelines/ code of practice	Internal and external environment and community objectives	Operational control	Non-conformance and corrective and preventative actions	Continual improvement
National/State/ Local government requirements		Emergency preparedness and response	Information management and gap analysis	
Contractual commitments			Audits	

FRAMEWORK INCLUDES LINKS TO: Management Plans, Monitoring Programs, Policies & Procedures, Forms & Audits

We're committed to continuously improve on our ESG performance.

3.1.3   Stakeholders

At the heart of our organisation, is a vision to enhance value for all our stakeholders. We believe we achieve this through forging collaborative partnerships to achieve sustainable development by placing an emphasis on effective stakeholder engagement as well as communications.

We understand that providing an accurate and transparent view of our ESG performance, risks and opportunities will assist in keeping us accountable for the impacts of our operations on our key stakeholders, as well as incentivising more sustainable, safe and ethical business practices while maximising value for all stakeholders and the wider community. Ensuring transparency of our ESG performance with our business performance is increasingly important with greater interest from our stakeholders regarding the potential risks and opportunities to our business and the broader sector as a result of shifts towards a lower-carbon economy.

To further improve our transparency with respect to ESG matters, we will continue to work with the industry and develop our response to the TCFD framework to ensure the ongoing disclosure and tracking of climate-related risks and opportunities.

Our Stakeholders

KEY STAKEHOLDERS	AREAS OF INTEREST	HOW WE CREATE VALUE
SHAREHOLDERS	Sustainable long-term returns underpinned by prudent governance, business strategy, risk management and operational expertise	We generate a sustainable return for our shareholders supported by responsible operational decisions that consider short, medium and long-term variables
EMPLOYEES AND CONTRACTORS	Renumeration, job security, training and learning opportunities, healthy and safe workplace, fair and considered contractor management	We provide our employees and contractors with economic benefits, a pathway to achieve career aspirations and diverse and inclusive workplace that supports safety and wellbeing
CUSTOMERS	Product with consistent quality, and sustainable business practices	We provide transparent information about product quality, participate in product development opportunities, and offer tours to site
LOCAL COMMUNITIES	Investment, employment, participation in socioeconomic development, and management of economic, environmental and social impacts	We generate economic growth and employment within areas in which we operate and have an active focus on development of our communities through economic, environmental, and social outcomes
REGULATORY AUTHORITIES	Mine extensions and approvals, operational activities, policy, and regulatory compliance	We adhere to regulatory requirements and ensure compliance with our statutory reporting requirements, hold public consultation forums and events, and conduct on-site inspections
SUPPLIERS	Fair procurement practices, local procurement, and business opportunities	We prioritise local suppliers, which promotes regional economic growth and supports the communities in which we operate

> **We collaboratively partner and engage** with our stakeholders to enhance value.

3.2   Our Green Guidelines

With the understanding that the success of our current and future operations is dependent upon a high standard of environmental management and performance, and that our strategies for managing and minimising our ESG impacts are increasingly important to our stakeholders, we have established Stanmore's Green Guidelines.

The Green Guidelines document outlines our environmental values and the themes underpinning those values. Such values and themes are based on our obligations under the Environmental Protection Act (EPA) 1994, our requirements under our Environmental Authority, and through consultation with key stakeholders.

To uphold our environmental values and ensure compliance with our legislative requirements, processes and procedures have been established and implemented across our sites as part of our overarching EMS. Details of the processes and procedures that relate to our operations in respect of water, waste and dust are specifically provided for within each of the Waste Management Plan, Water Management Plan and Dust Management Plan.

For each of the values and themes highlighted by the Green Guidelines, we have mapped our key processes and legislative requirements.
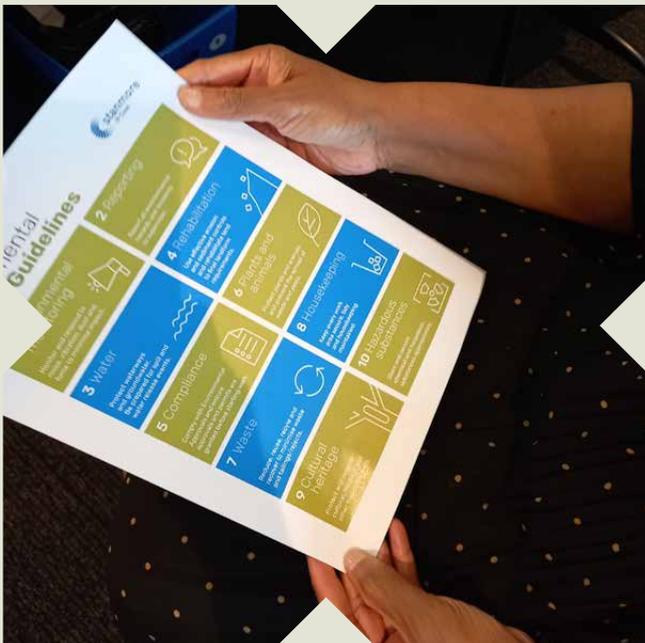
Green Guidelines: Key Processes and Legislative Requirements

1 Environmental monitoring
Monitor and respond to noise, vibration, dust and fume to minimise impact.

- Monitoring Records
- NGER & NPI Submission
- Incident Reports

2 Reporting
Report all environmental hazards and incidents to supervisor.

- Incident Reports

3 Water
Protect waterways and groundwater. Be prepared for spill and water release events.

- Monitoring Records
- Incident Reports
- Regulated Structures
- Spill Kit Audit
- Wet Season Preparation
- Water Inventory Tracking
- Permits to Disturb

4 Rehabilitation
Use effective erosion and sediment controls and rehabilitate land to final landform requirements.

- Seeding Records
- Annual Rehab Inspection Report
- Permits to Disturb

5 Compliance
Comply with Environmental Approvals and ensure approvals and permits are granted before starting work.

- Permits to Disturb
- Compliance Tracking (ARM)
- EPBC Compliance Audit (Internal)

6 Plants and animals
Protect plants and animals and prevent the spread of weeds and pests.

- Permits to Disturb
- Weed Education and Process
- Injured Animal Process and Fauna Register
- Threatened Species Education

7 Waste
Reduce, reuse, recyle and recover to minimise waste and tailings/rejects.

- Waste Contract Reports
- CHPP Yield Records and Monitoring

8 Housekeeping
Keep every work area secure, tidy and housekeeping maintained.

- Workplace Inspection Records

9 Cultural heritage
Protect and respect cultural, heritage and other traditional finds.

- CH Clearances and Record Keeping

10 Hazardous substances
Store and secure chemical and hazardous substances appropriately.

- Service Contract Reports
- Hazardous Substances Audit

4. OUR PERFORMANCE

"

Stanmore Green is currently exploring diversification opportunities in the renewable energy space that offer synergies and adds value to our existing and future operations such as solar energy and hydrogen power.

"

4.1 Environmental Performance

4.1.1 Greenhouse Gas Emissions

Scope 1 and Scope 2 Emissions

We have obligations to report emissions and transfers annually under two key pieces of federal legislation: the *National Environment Protection (National Pollutant Inventory) Measure 1998* and the *National Greenhouse and Energy Reporting (NGER) Act 2007 (Cth)* and use the methodology under the NGER Scheme to calculate our greenhouse gas ("**GHG**") emissions across the company.

The emissions outlined in this Report are derived from our FY2021 NGER Report and therefore, does not cover the full CY2021 reporting period. Through our NGER reporting process, we have reported a decline in GHG emission during FY2021 which can be attributed to slightly lower overall production in our operations from a ROM of 2,943Kt in 2020 to 2,768Kt in 2021. However, we expect that our emissions will increase in the coming year following the acquisition of BMC and the increase of coal production at Isaac Downs. Our NGER Report and GHG Emissions reported below are a total of the emissions from the Isaac Plains Coal Mine and Isaac Downs Coal Mine.

Table 1: Comparison of GHG Emissions between FY2020 and FY2021

	Scope 1 GHG Emissions (t CO2-e)	Scope 2 GHG Emissions (t CO2-e)
FY2021	**104,018**	**26,841**
FY2020	111,665	29,402
% Decrease in Emissions	7.35	9.54

Table 2: Comparison of Scope 1 Emissions by Gas Type between FY2020 and FY2021

t CO2-e	CO2	CH4	N20	HFCs	PFCs	SF6	NF3
FY 2021	**44,763**	**59,123**	**132**	**0**	**0**	**0**	**0**
FY 2020	52,299	59,216	150	0	0	0	Unknown
% Decrease in t CO2-e	16.84	0.157	13.64	0	0	0	0

Our Scope 1 and Scope 2 emissions can be primarily attributed to the combustion of diesel fuels and the purchase of electricity respectively, with our Isaac Plains Coal Mine accounting for the majority of our emissions.

As our stakeholders are increasingly interested in our approach to ESG matters and particularly in our approach to adapting to a lower-carbon economy, we are focusing more on how we can utilise the assets of our subsidiary, Stanmore Green, to develop strategies to introduce renewable power and alternative power sources into our operations.

Stanmore Green is currently exploring diversification opportunities in the renewable energy space that offer synergies and adds value to our existing and future operations such as solar energy and hydrogen power.

4.1.2   Energy

Energy consumption and production data outlined in this Report has been calculated using the methodology outlined under the NGER Scheme. The data is derived from our FY2021 NGER Report and therefore, does not cover the full calendar year 2021 period of this Report. Through our NGERs reporting process, we have reported a decline in both our energy consumed and produced during FY2021, which is attributable to lower ROM coal production as discussed in relation to our reduced emissions. With our acquisition of BMC and increased production at Isaac Downs, the energy consumption and greenhouse gas emissions reported next year will be higher than those reported for FY2021.

The energy consumption data reported incorporates all electricity which has been purchased from the grid for the purpose of conducting our operations at the Isaac Plains Coal Mine. Energy production includes all electricity produced through thermal generation at both our Isaac Plains and Isaac Downs Coal Mines, as well the energy content of fuel produced at the Isaac Plains Coal Mine.

Table 3: Comparison of Energy Consumed and Produced between FY2020 and FY2021

	Energy Consumed Total (GJ)	Energy Consumed Net (GJ)	Energy Produced (GJ)
FY2021	**813,641**	**813,259**	**56,435,371**
FY2020	978,860	978,673	71,520,847
% Decrease	20.31	20.34	26.73

Table 4: 2021 Dust Monitoring Locations at IPC

	DL Wotonga	DL Moranbah	DL1A	DL1B	DL1C	DL4A	DL4B	DL4C	Upper limit as set by the local government (for each individual monitoring location)
Q1 (ug/m³)	6.37	4.51	0.41	–	4.96	7.31	7.54	8.07	90
Q2 (ug/m³)	9.20	6.23	–	8.32	4.00	7.11	7.63	6.16	90
Q3 (ug/m³)	9.38	8.45	–	9.96	–	7.06	9.16	–	90
Q4 (ug/m³)	16.17	10.14	0.00	11.86	0.00	9.54	11.63	9.96	90

4.1.3   Air Quality Management

To minimise and manage our air emissions, which include GHG emissions and dust, and the potential impacts of these emissions on the environment and local communities, we have established ongoing monitoring programs and dust mitigation strategies. The specific monitoring mechanisms we have in place include real-time monitoring, automatic water monitoring stations, weather monitoring stations and vibration and overpressure monitors for blast monitoring. Ongoing improvements to air quality are pursued through dust suppression activities such as water sprays, wind breaks, covering and enclosing coal stockpiles. These monitoring and mitigation measures are detailed in our Dust Management Plan and in situations where we may experience increasing dust creation a Trigger Action Response Plan and Site Shut Down Procedures have been developed and implemented.

The Queensland Department of Environment and Science regulates and monitors air quality throughout the state, through a network of monitoring stations, including in the nearby community of Moranbah. We report to the Department of Environment and Science as required by our Environmental Authority ("**EA**") for the IPC.

Stanmore measures the Total Suspended Particulate Matter (TSP-Ambient), which is the total amount of particles suspended in the atmosphere, across a number of locations at the IPC to ensure that upper limits set by the EA are not being exceeded.

In 2021, the data collected for the dust monitoring locations at IPC is shown above. During the year the TSP-Ambient amounts at each location were all below the upper limit of 90 micrograms per cubic of air set for each monitoring location as per the EA.
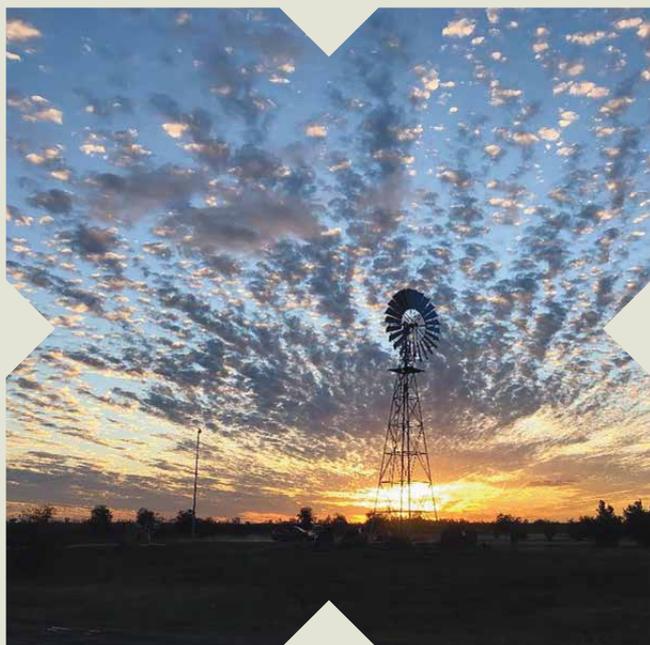
Total Suspended Particulate (TSP) Levels, by Dust Monitoring Location
TSP in Micrograms per cubic metre of air (µg/m³)

Legend: ■ Q1   ■ Q2   ■ Q3   ■ Q4
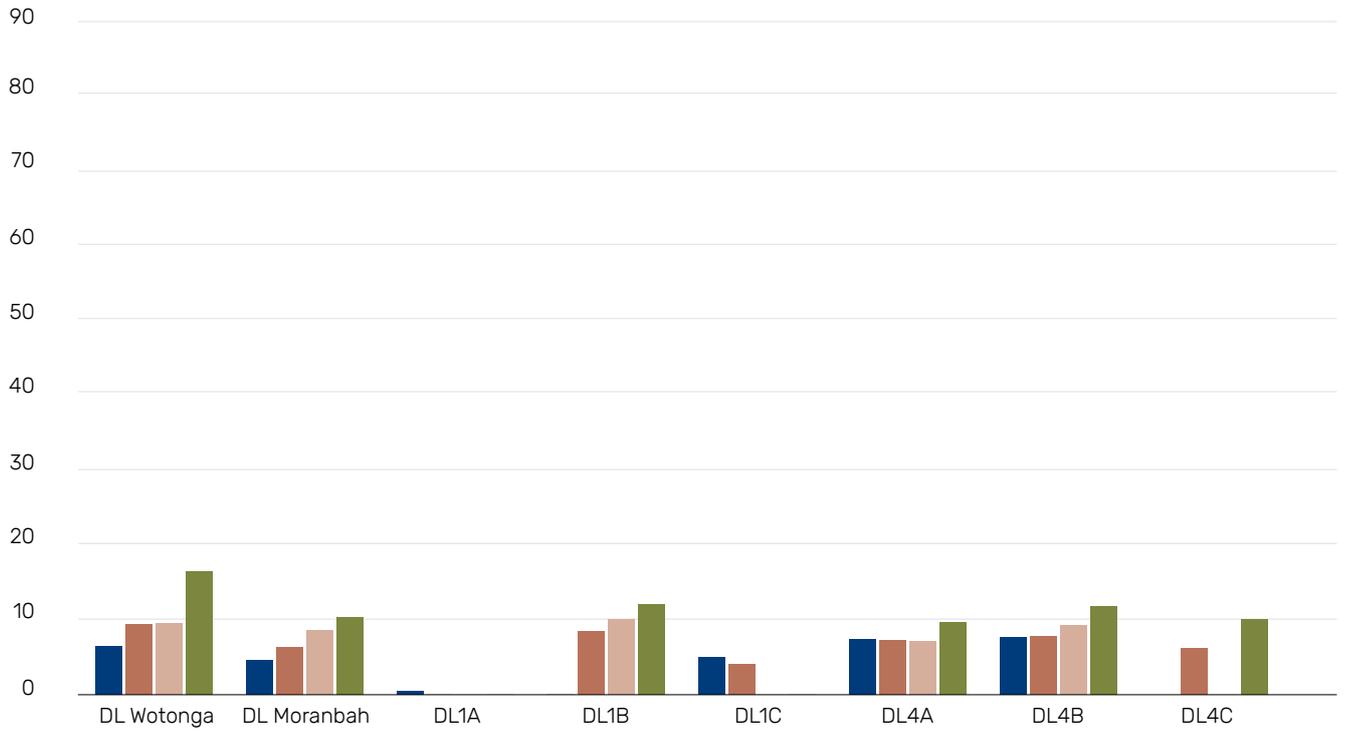
2021

Table 5: Stanmore Surface Water Monitoring Data against Environmental Authority Thresholds for 2021

2021 Quarter	pH to		TSS (mg/L)		Cd (< mg/L)	
	Stanmore Value	Threshold Range	Stanmore Value	Threshold Value	Stanmore Value	Threshold Value
Q1	8.58	4.00– 9.00	5.00	NA	0.0002	0.01
Q2	8.45	4.00– 9.00	12.00	NA	<0.0001	0.01
Q3	8.55	4.00– 9.00	<5	NA	<0.0001	0.01
Q4	8.55	4.00– 9.00	<5	NA	<0.0001	0.01

4.1.4 Water Management

We have a responsibility to our local stakeholders to manage water usage and quality to prevent the overuse and contamination of water that might be used within the local community. Managing water on site is not only critical to local communities and the surrounding environment, but it is also critical for our operations. Our operations require the maintenance of an appropriate water balance on site. A balance must be struck between having enough water storage capacity for wet season or flash flooding events and ensuring the mines do not run out of water for coal processes and dust suppression activities.

The Water Management Plan ("**WMP**") specifies the monitoring and measurement activities required to be undertaken to ensure that water quality meets the requirements of the EA, that aquatic ecosystems remain healthy, and waterways are safe.

Key monitoring activities undertaken at the IPC include:
- Quarterly sampling of all Surface Waters as per the EA
- Event sampling of all receiving water as per the EA
- Water Tracking and Electronic Reporting System (WaTERS) data submitted to Department of Environment and Science annually to regulate water releases into the environment.

The Water Management System ("**WMS**") complements the WMP and has been developed to ensure that the mine has a strategy in place to prevent discharge that could be detrimental operationally, socially and environmentally. The WMS is comprised of:
- sediment dams, for management of sediment-laden water runoff from spoil dumps
- release dams, for releasing water to the environment in accordance with EA requirements
- a raw water dam, for storing the allocated raw water supply
- a drainage system, which allows for clean water run-off collected by the catchment to be diverted away from the active mining areas.

Mine affected water, which includes all run-off from open cut pits, ROM and product stockpiles, and from areas disturbed by mining which are not rehabilitated, is primarily collected and reused on site. The mine affected water is pumped to the S2 pit for storage and reused for dust suppression and as process water at the CHPP. Run-off from vehicle wash down and workshop areas is treated by oil and grease separators prior to re-use in the WMS.
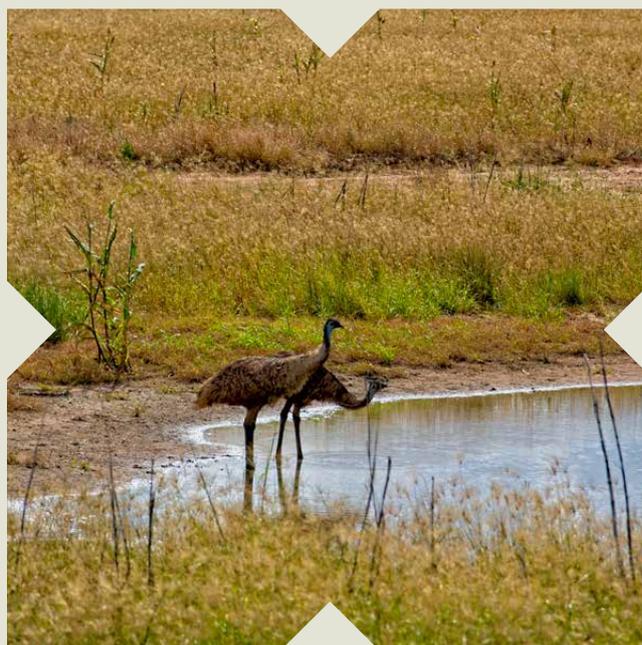
4.1.5 Waste Management

At Stanmore, we seek to effectively manage our waste and reducing waste production where possible. We employ a waste management hierarchy at our Isaac Plains facility, which outlines the processes and practices utilised to minimise and manage waste at our operations. Waste avoidance is the number one objective, followed by waste re-use, waste recycling, energy recovery from waste, with waste disposal as a last resort.

Waste which is generated at our sites includes regulated waste, batteries, waste oil and recyclables, and the management of these waste streams is outlined in our Waste Management Plan. Our management method includes providing colour coded waste receptacle, to ensure waste is segregated and stored correctly for disposal or recycling. This, together with other key aspects of waste management, is communicated with our staff, contractors and visitors during site inductions.

Stanmore is able to mitigate the potential adverse impacts associated with waste through ensuring the correct handling of our different waste streams. We are able to achieve this as the waste generated on our sites is managed by a licensed waste contractor, who operates under the Environmental Protection Act 1994. Our contractor provides us with monthly waste production data, as well as details on percentage contamination levels, allowing us to monitor our waste effectively.
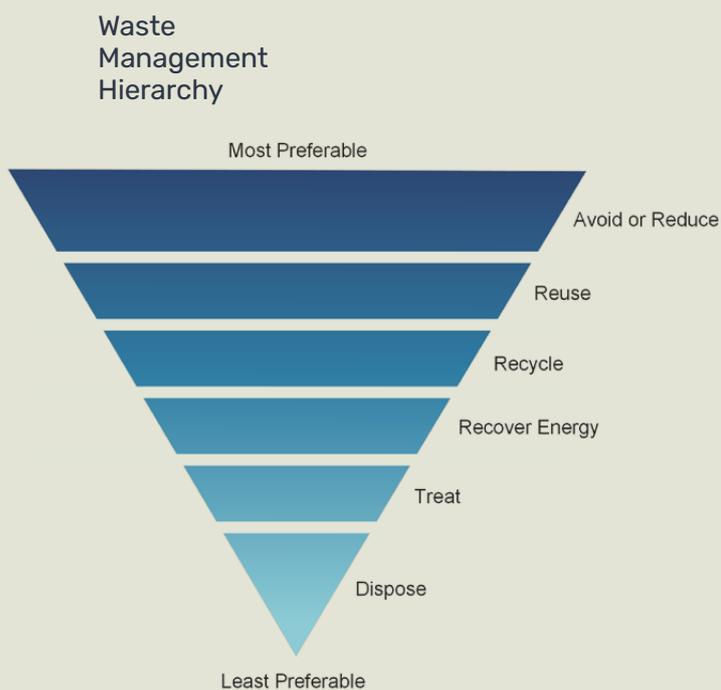
Tailings Management

Tailings are a waste by-product from the coal mining process, which require specific storage and management practices to be implemented. Our Tailing Storage Facility ("**TSF**") is maintained in line with required legislative requirements and the management of tailings is outlined under our Mine Waste management Plan for the IPC. Through effective management of tailings, we are able to reduce the risk of large, geotechnically unstable tailings dams from forming which would affect the stability of our mines.

Hazardous Waste

Stanmore have identified the following hazardous streams which are produced as a result of our coal mining operations:

- Waste oil
- Hydraulic hoses
- Oily rages
- Batteries
- Septic.

We ensure that these substances are handled and removed correctly through our licensed waste contractor, who is responsible for the disposal and/or treated of these waste streams.

Waste Management Hierarchy

Most Preferable

Avoid or Reduce

Reuse

Recycle

Recover Energy

Treat

Dispose

Least Preferable

Table 6:
Waste Generated from Isaac Plains Complex

	Tonnes
General Waste (Landfill)	732.0
Recycling	56.2
Oil Filter	5.9
General Waste (Skips)	126.0

Regulated Waste Breakdown	
Regulated Waste	90kg 23L
Septic Tank and Oily Water	220L

CENTRAL QUEENSLAND UNIVERSITY STUDIES ON KOALA HEALTH

Stanmore has recently partnered with the Central Queensland University along with Earthtrade and Fitzroy Basin Association to provide a PhD scholar with a three-year Elevate scholarship to complete a research project on the health of koalas in Central Queensland. The program which has been established is the first project of its kind in Central Queensland and aims to use non-invasive methods to collect data to analyse and obtain information on multiple elements of koala health.
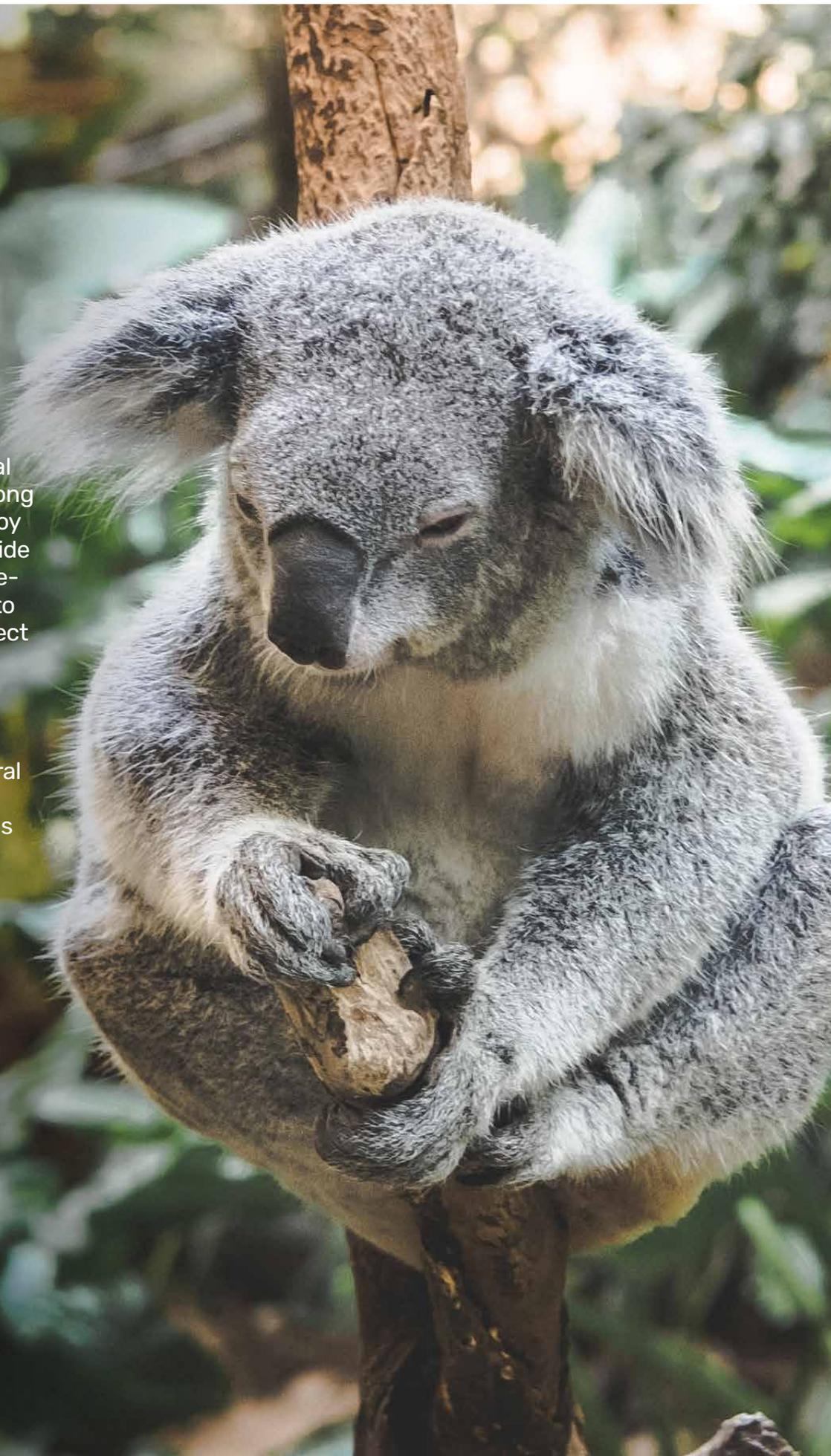
4.1.6 Biodiversity

Stanmore is committed to conserving and protecting the biodiversity of the regions in which we operate as part of our responsible and sustainable approach to ESG matters.

To meet our obligations under the applicable Commonwealth and State legislation and protect current biodiversity in the regions in which we operate, biodiversity offsets have been procured for the following projects:

- Isaac Downs
- Isaac Plains East
- Isaac Plains East Extension.

Under the Commonwealth Environment Protection and Biodiversity Conservation Act ("**EPBC Act**"), these environmental offsets are required to compensate for unavoidable impacts on significant environmental matters, such as valuable species and ecosystems on our operational sites, by securing land at another site and managing that land over time to replace the environmental matters that were lost.

Stanmore has established Offsets Management Plans ("**OMPs**") for each of the above listed projects to legally secure offsets areas and set out ongoing management and monitoring measures of the offsets areas required to meet the requirements of the Commonwealth's Offsets Policy. The offsets areas which have been established for the three projects are all located within Mt Spencer Station, located north of Nebo, in Queensland. This location was selected as it has habitat suitable for each of the Matters of National Environmental Significance that are impacted by the projects for which the offsets are required.

The Matters of National Environmental Significance impacted by all three projects for which offsets are required are nationally listed threatened species. Those species are:

- The Koala
- The Greater Glider
- The Squatter Pigeon.

Field surveys conducted to determine the offsets requirements for Isaac Downs also identified the Ornamental Snake as an additional national listed threatened species. However, the Mt Spencer station location does not provide the required habitat for Ornamental Snake and as such Stanmore are investigating other appropriate properties to establish offsets areas. The establishment of offsets areas requires the right ecology and landholder to support the objectives of the OMPs.

Implementation of the OMPs are aimed at improving the condition and ecological values of vegetation communities for, and mitigating and managing risks to, the Koala, Greater Glider and Squatter Pigeon within the offset area. This is achieved through the following management methods:

- Strategic grazing of cattle to reduce and manage understorey fuel loads and, native and non-native flora densities
- Strategic fire management methods to reduce the risk of unplanned fire causing adverse impacts
- Minimising habitat degradation caused by Feral Pigs, Rabbits and Feral Horses to reduce impacts of habitat
- Restricting unauthorised access to land and preventing alternative land use
- Controlling invasive weed species
- Minimising predation risk by Feral Cats, Wild Dogs and Foxes.

Each year the EPBC Act Approvals granted for each of the Stanmore projects listed above are externally audited and an annual Compliance Report is prepared and made publicly available on Stanmore's website.

For the purposes of this report, impact assessment reports and OMPs, which outline the Matters of National Environmental Significance listed above, have been used to identify the number of International Union for Conservation of Nature ("**IUCN**") Red List species and national conservation list species which have habitats in areas affected by the operated assets of Stanmore.

Table 7: Number of International Union for Conservation of Nature ("**IUCN**") Red List species and national conservation list species which have habitats in areas affected by the operated assets of Stanmore

	Critically Endangered	Endangered	Vulnerable	Near Threatened	Least Concern
IUCN Listed Species	0	0	2	0	1

	Critically Endangered	Endangered	Vulnerable	Conservation Dependent
National Listed Species	0	0	4	0

Rehabilitation Management

As part of our EA for our Isaac Plains operational site, we have a Rehabilitation Management Plan ("**RMP**") in place which was developed by technical specialised consultants and covers Isaac Plains East and the Environmental Plains East Extension. Plans for the rehabilitation of the Isaac Downs project was covered in the Environmental Impact Statement submitted in the process of obtaining the government approvals required to proceed with that project.

Stanmore's RMP established for the IPC sets out a schedule of progressive rehabilitation and a rehabilitation monitoring program which allows for targeted, specific monitoring and rehabilitation methodologies for each disturbance type or domain across the site.

Rehabilitation milestones including the re-shaping, topsoiling and revegetating of land, the required criteria that the activities must meet and the procedures for ongoing monitoring are set out in the RMP.

For the 2021 reporting year, Stanmore has collected the following key data in relation to the rehabilitation of the IPC:

Table 8: 2021 Land Rehabilitation Statistics

Activity	Number of Hectares (ha)
Land Disturbed	40
Land Recontoured	57
Land Topsoiled	33
Land Seeded	45

Local Biodiversity Initiatives

To do our part in improving and protecting the local biodiversity we seek to contribute to research and rehabilitation projects and initiatives by partnering with organisations to support the monitoring and protection of our surrounding native habitats and ecosystems. Our involvement in such initiatives allows us to protect native flora and fauna and assists us in further understanding the impact of our operations on the local biodiversity.

In 2021, we continued to be an active member of the Fitzroy Partnership for River Health (of which we have been a member since 2016).

BMC also has a large area of landholdings in Central Queensland which Stanmore will inherit with the acquisition of BMC. Stanmore hope to use these landholdings to establish initiatives and projects, including exploring potential carbon sequestration opportunities, to assist in improving local biodiversity in the future.

OUR PARTNERSHIP WITH FAUNA RESCUE WHITSUNDAYS

In 2021, we continued our three-year partnership with Fauna Rescue Whitsundays, a non-profit, voluntary group dedicated to the rescue, rehabilitation and release of sick, injured and orphaned native wildlife, Stanmore's funding contributes to animal rehabilitation and care, including running costs associated with Fauna Rescue Whitsundays' 24-hour hotline; food, housing, medicine and veterinary bills for injured wildlife; and education and training programs to wildlife carers, schools and local community groups.

Fauna Rescue Whitsundays has wildlife carers stationed across Central Queensland including in the Whitsundays, Mackay, Bowen, Collinsville, Dysart, Eton and Moranbah. Stanmore has enjoyed a relationship with carers in Moranbah for more than three years and is committed to the protection of native species in the region.

FITZROY PARTNERSHIP FOR RIVER HEALTH UPDATE

Fitzroy Partnership for River Health ("**FPRH**") was formed in 2012 and is made up of a range of organisations including all levels of government, agriculture, industry, research, traditional owners, and community. The partnership provides unique opportunities for collaboration between these groups, engages with the community at events and within schools and produces a range of easy-to-understand reporting products. Recently the 10th Report Card on waterway health in the Fitzroy Basin was released — receiving a B grade overall for the 11 catchment areas and the estuary zone at the mouth of the Fitzroy.

Stanmore is an active member of FPRH by sharing data and advice that provides a greater understanding of waterway health. According to the Executive Officer of FPRH, "Stanmore continues to drive the direction of FPRH and remains focused on helping our community achieve better management outcomes".

4.2 Health and Safety Performance

UN SDG Alignment —
Health and Safety Performance

4.2.1 Workplace Health and Safety

Health and Safety is fundamental to our business and is embedded within our culture: driven by safety leadership and engagement with our people. Throughout 2021, we have continued to improve our SHMS and have implemented a range of health and safety initiatives and achieved our goal of no lost time injuries.

Table 9: Number of Employee and Contractor Incidents

Incident	Employee	Contractor	Combined
Occupational fatal injury	0	0	0
Lost time injury	0	2	2
Restricted work injury	0	2	2
Medical treatment injury	0	0	0
First aid injury	0	12	12
Total injuries			**16**

In promoting health and safety excellence within our business, our staff and contractors participate in critical training programs that ensure our safety culture awareness remains at the forefront of our operations.

HEALTH & SAFETY INITIATIVES

Our Health and Safety initiatives have been implemented to drive better safety performance. These include:

- The inclusion of Life Saving Rules into the site SHMS
- Supporting the integration of Fatal Hazard Protocols into the SHMS at Isaac Plains
- Facilitating independent compliance and effectiveness audits of the Isaac Plains and Isaac Downs SHMS
- Undertaking planned safety observations as part of our contract partner's safety program
- The execution of capital works that reduce risk and improve workplace conditions
- Management of fatigue risk through our local housing allowance policy which delivers financial support to employees living locally who can demonstrate compliance with fatigue management requirements, including authorised journey management plans.

LEGISLATIVE REQUIREMENTS

We are committed to the ongoing development of our SHMS, which guides our approach to safety. The SHMS ensures our legal requirements are met from an industry, state and national level. These include:

- Coal Mining Safety and Health Act 1999 (CMSH Act)
- Work Health and Safety Act 2011 (WHS Act) and Work Health and Safety Regulation 2011 (WHS Regulation)
- Explosive Act 1999 (Explosives Act)
- ISO 31000:2018 Risk Management — Guidelines
- AS 1940:2004 The storage and handling of flammable and combustible liquids
- The Australian Goods Code (ADG7)
- AS 2187 Explosives — Storage, Transport and Use (AS2187).

Hazard Identification, Risk Assessment and Incident Management

Hazards are identified by conducting a hazard identification and analysis, which involves assessing historical data, the context of the situation, regulator triggers and external factors. We are confident that through this process, together with providing training and site-specific supervision, we are able to mitigate safety risks to the best of our ability.

We ensure that our principal contractor, which is responsible for conducting mining and coal handling and preparation plant activities at IPC, has robust processes in place for hazard identification, assessment and incident management.

Prior to the commencement of any work at IPC, appropriate risk assessment procedures are conducted to ensure that controls are in place. There are multiple tools which have been established in managing risks and hazards involved in operations:

- **Specialised Risk Assessments:** Such assessments are required for design, facility, new plant or equipment or changes in design
- **Operational Risk Assessments:** Such assessments are required for identifying, site, department or project hazards which may impact upon people's health and safety or the environment
- **Job Step Analysis ("JSA"):** This tool is used to document risk assessments for specific tasks being undertaken and are required to be completed prior to any task being conducted. In completing a JSA, all hazards and controls associated with a task are identified and clearly documented
- **Start Cards:** This process relates to communicating the required tasks and how they will be undertaken having regard to the risks, hazards and controls that were identified through risk assessment processes.

Required procedures relating to the notification and reporting of all incidents on site is outlined in an Incident Notification, Recording, Investigation and Reporting Procedure. The Procedure prescribes the standard to which incident reporting is required to meet to ensure that details recorded can assist in ongoing improvements in work health and safety outcomes. In initially responding to incidents we have ensured that our contractor has clearly defined key priorities such as ensuring the safety of the scene and assisting the injured person or persons.

Emergency Response and Management

Stanmore's Emergency Management Plan ensures that any potential hazard or risk that has been identified will be dealt with as efficiently as possible, through outlining in-depth emergency planning and response procedures. Our sites are resourced effectively, through the provision of trained staff and equipment. We also ensure that external parties, such as local emergency services and the Queensland Government, are kept updated on any foreseen requirements for emergency services during the operations of a Project.

Additionally, we have ensured that our principal contractor has implemented an Emergency Response Plan ("**ERP**") at the IPC to ensure a timely and appropriate emergency response can be provided. The ERP defines the roles and responsibilities of the Emergency Response Team ("**ERT**"), which is comprised of full time equivalent ("**FTE**") employees or contractors who have successfully applied for the role. These individuals are responsible for following the Emergency Protocol outlined in the ERP to ensure an immediate and organised response to emergency situations such as accidents, fatalities, technical failures, missing persons events and fires. In large-scale emergencies, or crises, the Crisis Management Team is engaged, whose response process is outlined in a Business Continuity Management Procedure.

The ERT undertake annual formal training, which is provided through a reputable provider, as well as continuation training which the ERT Coordinator is responsible for providing. Emergency simulations are also conducted every 6 months to evaluate the emergency preparedness and response at IPC and range from assessing the ERT response to an emergency, to involving the Crisis Management Team and external response agencies.

> **Health and safety** is embedded within our culture.

4.2.2 Health & Wellness

Ensuring the overall wellbeing of our staff and contractors continues to be a priority at Stanmore. We have implemented a number of initiatives to provide ongoing support, including financial incentive programs, subsidised local area housing for the principal contractor workforce and a paid parental leave scheme for all Stanmore employees. Our Employee Assistance Program is also provided to our Stanmore employees by industry-experienced provider, Gryphon Psychology, as well as a corresponding service for contractors. We also promote a healthy lifestyle through providing free gym membership access for the entire local workforce. Our commitment to health and safety goes beyond our staff and contractors, with initiatives introduced which highlight community health and wellbeing (outlined in section 4.4 Social Performance).

4.2.3 COVID-19

Throughout the COVID-19 pandemic, we have been committed to ensuring the ongoing safety of our staff. Stanmore have followed all recommendations set by both Queensland Health and the Australian Government to provide a COVID-19 safe workplace. Our staff at Stanmore have also been provided with the option of flexible working arrangements, allowing them to work from home during this uncertain time, and conducting our meetings virtually where possible. The implementation of these measures within Stanmore throughout 2021, have ensured that our operations have not been adversely affected by COVID-19 and that our people have remained safe.

4.3 People Performance

UN SDG Alignment — People Performance

4.3.1 Employment Practices

Throughout 2021, our operations have continued to expand, bringing continued growth of our workforce. As of 31 December 2021, we experienced a net growth of 4% to 28 Stanmore employees in 2021. Details of new hires and employee turnover specific to Stanmore employees is outlined below.

In 2022, the total number of Stanmore employees is expected to increase by between approximately 650 to 700 employees due to the acquisition of BMC.

Table 10: 2021 New Hires

	Staff	Middle Management	Senior Management
New hires	4	5	1

Table 11: 2021 Employee Turnover

	Staff	Middle Management	Senior Management
Number of people	2	1	2

Our workforce includes both our Stanmore employees and personnel of our key contractors who are responsible for conducting all mining and coal handling and preparation operational activities at IPC.

427 training opportunities have been provided to our employees and contractors during 2021. The training provided included generic training topics for position inductions and appointments, as well as specific training sessions such as hazardous substance and working at heights training. We believe that training is critical in ensuring the safety of our employees and instilling safe practices within our business.

Table 12: 2021 Employee Training Hours

	Employee	Contractor
Training hours completed	324	33,579

4.3.2   Diversity and Equal Opportunity

At Stanmore, we strive to create equal opportunities within our workplace and to ensure that every individual is treated fairly, which is outlined in our Equal Employment Opportunity Policy and Diversity Policy. The responsibilities under Our Equal Employment Opportunity Policy extend to contractors. We have developed and implemented initiatives to grow a culture which promotes a positive working environment including flexible work arrangements, paid parental leave and our Employee Assistance Program. We believe that through these initiatives, we are able to foster a collaborate and fulfilling workplace environment which ultimately benefits the organisation as a whole.

Our Equal Employment Opportunity Policy recognises that a safe and supportive workplace is critical to our business. We value the diversity of our workplace, respect the differences between individuals, and recognise that each person has individual talents and skills to bring to their role as is demonstrated through both our Equal Employment Opportunity Policy and Diversity Policy. For the Isaac Downs Project, Stanmore has also committed to ensure that no job opportunities will be advertised as fly in fly out (FIFO) only positions so as not to discriminate against the local workforce. Gender diversity is of particular importance at Stanmore, while female participation rates at Stanmore fell marginally during 2021, although they remained above 25% of all Stanmore employees. This remains above the industry average of 17% females employed within the mining sector, according to the most recent data from the Australian Bureau of Statistics.

Table 13: Number of Stanmore Employees by Gender

Full-time		Part-time	
Male	Female	Male	Female
18	4	0	3

Further to the above details for Stanmore employees, we also monitor and collect information on the diversity of our Full Time Employee IPC workforce which is made up of both Stanmore employees and personnel across a number of key contractors.

Table 14: Number and ages of contracted workforce

	Male	Female
Full-time Contracted Workforce	319	42

Age of Contracted Workforce	Male	Female
<20	2	-
20-29	49	13
30-39	85	12
40-49	82	6
50-60	74	9
>60	27	2

Indigenous Employment	Employee
Torres Strait Islander	2
Indigenous	1
Indigenous/Torres Strait Islander — Barada Barna	2

Male and female employees as a percentage of total workforce
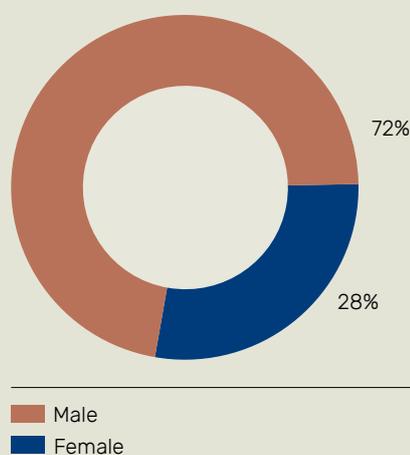
- Male
- Female

Contracted workforce by age Female
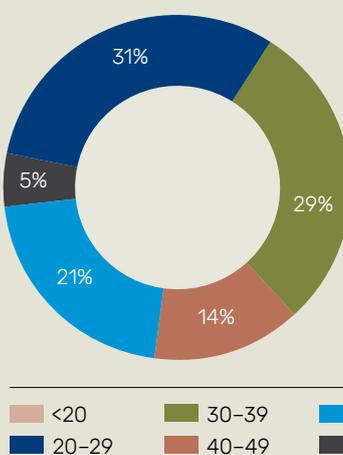
Contracted workforce by age Male

- <20
- 20–29
- 30–39
- 40–49
- 50–59
- >60
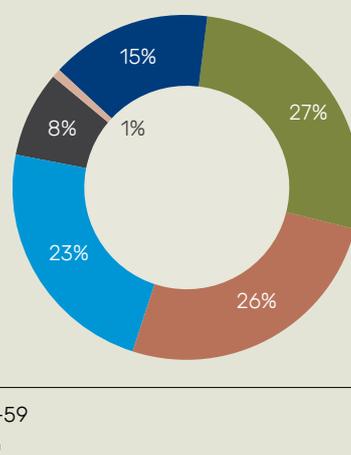
4.4   Social Performance

UN SDG Alignment —
Social Performance

4.4.1   Local Communities

To assist in generating economic growth in the regional communities in which we operate, we have an active focus on investing and participating in community initiatives and providing employment and business opportunities. Stanmore aims to create lasting relationships with local communities based on sustainable investment and opportunities.

Through ongoing communication and consultation, including face to face meetings, written notices and phone meetings with the local communities we are able to initiate and maintain open and honest communication with our stakeholders regarding our operations, identify any issues or concerns that stakeholders have, and address those issues.

Stanmore is proud to be part of the Isaac Region, and is committed to making a positive contribution to the local community. We understand that community groups, clubs and not-for-profit organisations are the heart and soul of regional communities and have an overwhelming impact on people's wellbeing. To assist in ensuring that these opportunities are, and remain, available to our local communities, Stanmore continues to support a range of local community organisations and activities throughout Central Queensland which benefit our people, our neighbours and the communities of Moranbah, Nebo, Mackay and nearby rural locations.

Living Locally

Stanmore also seeks to ensure that proportion of our workforce live locally and as a result, operate a 'live locally' initiative which funds housing for workers wishing to take up housing in the local Moranbah area. This aims to genuinely contribute to the sustainability and vitality of the Moranbah community.

Continuing Existing Relationships

Along with our acquisition of BMC, we hope to continue existing relationships that BHP held with local community groups and continue business practices that assisted in contributing to, and investing in, local communities including local procurement and furthering the programs and partnerships established for regional development and research.

4.4.2   Isaac Downs Project Social Impact Management Plan

In developing and proceeding with any new operations, projects and acquisitions, Stanmore assesses all potential environmental, social and economic impacts of such decisions. We also have legislative obligations in relation to how we approach and manage such impacts, and we are committed to complying with those obligations and meeting the expectations of all our stakeholders.

We have obtained the required Queensland Government approvals for the Isaac Downs Project, the existing Social Impact Management Plan ("**SIMP**") was updated based on recommendations from the Office of the Coordinator General and further internal review which took into consideration additional stakeholder feedback, particularly from the Isaac Regional Council. The SIMP contains objectives and measures that Stanmore will take to mitigate potential negative social impacts and to enhance potential benefits for the Project. Monitoring and reporting processes regarding the delivery and effectiveness of the management strategies implemented are also described here.

SUPPORTING COMMUNITY

We have continued our support of the following local community groups and events during the 2021 year:

- Moranbah State High School
- CQ Campdraft
- Moranbah BMX Club
- Emergency & Long-Term Accommodation Moranbah
- Emerald Eagles Football Club.

ONGOING SPONSORSHIP OF THE MORANBAH HAWKS

The Moranbah Hawks have started the new season with brand new shirts and signage, and multiple player and coaching clinics under their belt after receiving community grants totalling $14,000 over the last two years from Stanmore.

The Club President, who has been involved with the club for six years, said the grants have helped immensely over the last couple of years. With the club having been established in 1974, there was room for new branding and signage at the club, so the community grant was able to provide these updates.

Living and playing sport in regional Queensland presents a challenge with respect to long commutes to training sessions and weekend games, so part of the community grant will also assist in purchasing a 12-seater bus for the club. This will provide more opportunities to more kids who previously may not have been able to play games.

AREAS SPECIFICALLY COVERED BY THE SIMP

- A Workforce Management Plan to ensure that local employment is maximised and opportunities are provided for Aboriginal people, and members of local communities are supported in entering the workforce by way of contributions to improved childcare services and employment pathways for young people

- A Housing and Accommodation Plan to reduce pressure on the local housing market by funding construction of additional housing, increasing availability of affordable housing, and providing employees with housing choice

- Local Business and Industry Procurement Plan to establish plans and procedures that allow for local procurement and suppliers to be utilised in delivery of goods and services required by Stanmore

- Health and Community Well-being Plan to outline the contributions and provisions that Stanmore will make to improve health and community wellbeing outcomes

- Community and Stakeholder Engagement Plan to ensure that local community engagement methods are established and are efficient and effective, and to ensure that community members are updated on relevant and applicable Stanmore activities.

4.4.3 Indigenous Engagement

We aim to develop and continually enhance a working and collaborative relationship with the Barada Barna people, the Traditional Owners of the land on which we operate.

The history of the relationship between the Isaac Plains mine and the Barada Barna people began before Stanmore's ownership of the Isaac Plains Mine. From the early 2000s to 2015, Barada Barna managed cultural heritage matters with the Isaac Plains Coal Mine's previous owners, Isaac Plains Coal Management. An earlier Cultural Heritage Management Plan ("**CHMP**") was in place to guide the process and earlier dealings provided a framework for the CHMP which the Barada Barna people and Stanmore have since developed.

Since taking ownership of the mine, through a process of facilitation and recognition of the need for, and our understanding of our responsibility for reconciliation, Stanmore have continued our reconciliation journey through the signing of a new CHMP and a Native Title compensation agreement for the Isaac Downs Project.

Stanmore have also developed a draft Reconciliation Action Plan during 2021 which has been submitted to Reconciliation Australia for review. The Reconciliation Action Plan formalises our commitment towards the five dimensions of reconciliation: historical acceptance; race relations; equality and equity; institutional integrity and unity. We aim for this journey to strengthen our ties with the Barada Barna people and provide genuine prospects to the Barada Barna people through employment, education and training opportunities and pragmatic business ventures. Creating ongoing and feasible prospects for Barada Barna means that the relationship shared between Stanmore and Barada Barna is strengthened over time and that both parties benefit from the longer-term outcomes achieved through the process.

Our current indigenous employment targets and programs aimed at improving employment outcomes include the 5% indigenous employment rate target and a requirement for two indigenous trainees to be engaged and trained for full time employment at the Isaac Plains mine.

SPONSORSHIP OF THE HIGHLANDERS INDIGENOUS SPORTS CLUB

Stanmore provides ongoing support through sponsorship for the Highlanders Indigenous Sports Club Inc. The sponsorship allows the club and teams to attend carnivals across the state and assists the club to continue to operate and create a community environment whereby the club is able to also support and assist players with mental health and employment issues. Stanmore's funding in 2021 meant that the team could attend the Toowoomba Reconciliation NRL Carnival where the team made the Grand Final and also where four of the Highlanders players received accolades, including Player of the Carnival, Back of the Carnival, Player of the Grand Final and Forward of the Grand Final.

Highlanders Indigenous Sports Club Inc. (and supporters) celebrate their win

Internally, to communicate our commitments, we are focusing on the education of our people on the Traditional Owners of the land and the cultural heritage of the sites we operate. During the year, we introduced mandatory Cultural Heritage training for all of our employees and Contractors. As Stanmore continues on our Reconciliation journey we plan to continue to review the cultural learning needs within our organisation, and to increase our people's understanding, value and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge, and rights through cultural learning.

The BMC acquisition by Stanmore means that we will inherit existing agreements and relationships with the Barada Barna people including through the existing Indigenous Land Use Agreement associated with the South Walker Creek mine and a Cultural Heritage Management Plan. Stanmore will continue to progress relations with the Barada Barna people across all assets.

4.4.4   Modern Slavery

To ensure compliance with human rights principles and outline our commitments and actions with respect to acting ethically and with integrity in conducting our business, we have developed a Modern Slavery Statement as required under the *Modern Slavery Act 2018* (Cth). The actions outlined in our Modern Slavery Statement demonstrate how we seek to protect the human rights of all people involved in, or impacted by our business practices.

To support us in upholding our commitments we endeavour to ensure that through our contractual terms and conditions that we engage with suppliers and contractors who are aligned with our stance on protecting human rights, and who are opposed to any form of slavery or human trafficking. In doing this we seek to eliminate the risk of modern slavery in our supply chain.

Stanmore's Modern Slavery Working Group plays a key role in developing measures to minimise modern slavery risk in our supply chain including:

- Training programs
- Risk assessment processes for suppliers and ensuring that our suppliers are aware of our commitments and their obligations through ongoing engagement
- Reviewing, and implementing assurance processes, for policies and procedures.

Isaac Plains Archaeological Area features three scar trees, which were removed and repositioned by the Barada Barna People.

4.5   Governance and Ethics

4.5.1   Corporate Governance Framework

Our corporate governance framework and practices are critical in ensuring the ongoing success of our operations, forging and maintaining an internal culture of good governance and ethical behaviour, and ultimately creating value for our shareholders and stakeholders.

The Stanmore Corporate Governance Charter outlines our corporate governance framework and practices, including the structure of the Board, Board Committees, how conflicts of interest are to be handled, and the key policies that have been implemented by the Board.

4.5.2   Structure of the Board and Board Committees

The Board of Directors is responsible for corporate governance, guidance and monitoring of all business and affairs of Stanmore on behalf of shareholders by whom they are elected and to whom they are accountable. The Stanmore Board currently consists of two independent and three non-independent directors. Following the acquisition in BMC, the Stanmore Board will increase to four independent and four non-independent directors. An independent director is defined as a Director who is not a member of management and who is free of any business or other relationship that could materially interfere with — or could reasonably be perceived to materially interfere with — the independent exercise of the director's judgement and their capacity to act in the best interests of the Company as a whole, rather than in the interests of an individual security holder or other party.

A full listing of the matter for which the Board has responsibilities is provided in the Corporate Governance Charter found on Stanmore's website.

To assist in discharging the responsibilities of the Board, there are three Board Committees which include:

- Audit & Risk Management Committee
- Remuneration & Nominations Committee
- Health, Safety, Environment & Community Committee.

KEY BOARD RESPONSIBILITIES

Stanmore's Corporate Governance Charter outlines the specific matters that are reserved for the Board, which (but are not limited to):

- Providing leadership and setting strategic objectives for Stanmore and providing input into and final approval of Management's development of corporate strategy and performance objectives, and ensuring that Management have the appropriate resources available in executing this strategy
- Monitoring and ensuring compliance with the Corporations Act, ASX Listing Rules (where appropriate) and all relevant laws
- Developing, implementing and monitoring operational and financial targets for Stanmore and the framework within which Management must operate
- Ensuring appropriate financial, tax and risk management controls are implemented and setting risk tolerance levels within which Management is expected to operate
- Reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance
- Approving the annual budget and monitoring the financial performance of Stanmore, including under Management's direction
- Monitoring the Stanmore's compliance with its legal obligations, including with respect to corporate governance, and the effectiveness of its corporate governance practices
- Appointing and overseeing Committees where appropriate to assist in the performance of the above functions and use of powers.

Stanmore considers industry experience and specific expertise, as well as general corporate experience, to be important attributes of its Board members. The Directors noted below have been appointed to the Board of Stanmore due to their considerable expertise, industry and corporate experience. The Company conducts comprehensive background checks prior to the appointment of any new Director. Formal letters of appointment setting out the terms of their appointment are in place for all Directors and tailored induction and training is offered to assist Directors to discharge their responsibilities effectively.

The term of office held by each Director in the office as at the end of 2021 is outlined in the table below.

Stanmore's Remuneration & Nominations Committee is responsible for reviewing the remunerations policies and practices and making recommendations to the Board with respect to remuneration of Executives, Management and Directors. Our Remuneration framework for Directors and Executives is detailed within the Remuneration Report section of the Annual Report.

4.5.3   Board Skills Matrix

Each year the Board reviews the Board Skills Matrix which describes the proportion of Directors on the Board with particular areas of competence, skills and experience. The Board Skills Matrix recognises direct, practiced experience or a high level of knowledge or awareness in the area of competence. It is used by the Board to guide assessment of the skills and experience of new and existing Directors and to identify any gaps in the collective expertise of the Board for the purpose of Board succession planning.

4.5.4   Board Evaluation

The Board has established an internal self-evaluation process to measure its own performance, as well as the performance of individual Committees and individuals. The Board undertakes a baseline survey of its performance against an agreed set of performance criteria. Individual Directors are asked to communicate to the Chairman on a confidential basis to comment on their own performance, and the performance of the Board and its Committees. Executives are evaluated against business objectives and their own contractual obligations, including KPIs.

Skills/Competencies
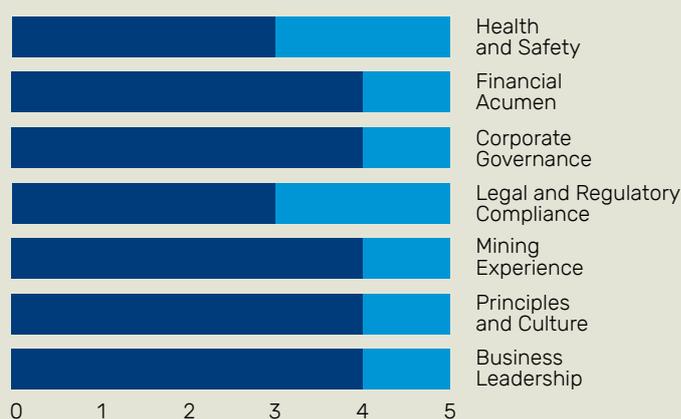
Table 15: Directors terms in office to end 2021

Name	Role	Independent	Term in Office	Audit & Risk Management Committee	Remuneration & Nominations Committee	Health, Safety, Environment & Community Committee
Dwi Suseno	Chairman	No	One year and nine months	●		
Marcelo Matos	Executive Director/CEO	No	Two years and three months	●	●	●
Jimmy Lim	Non-Executive Director	No	Two years and four months		● (Chairman)	●
Richard Majilinder	Non-Executive Director	Yes	One year and nine months	● (Chairman)	●	
Mark Trevan	Non-Executive Director	Yes	One year and nine months			● (Chairman)

4.5.5   Our Key Board Policies

To ensure a culture of good governance is fostered within Stanmore, Board have set the following key policies.

WHISTLE-BLOWER POLICY

ANTI-BRIBERY AND CORRUPTION POLICY

SECURITIES TRADING POLICY

PRIVACY POLICY

CORPORATE CODE OF CONDUCT

RISK MANAGEMENT POLICY
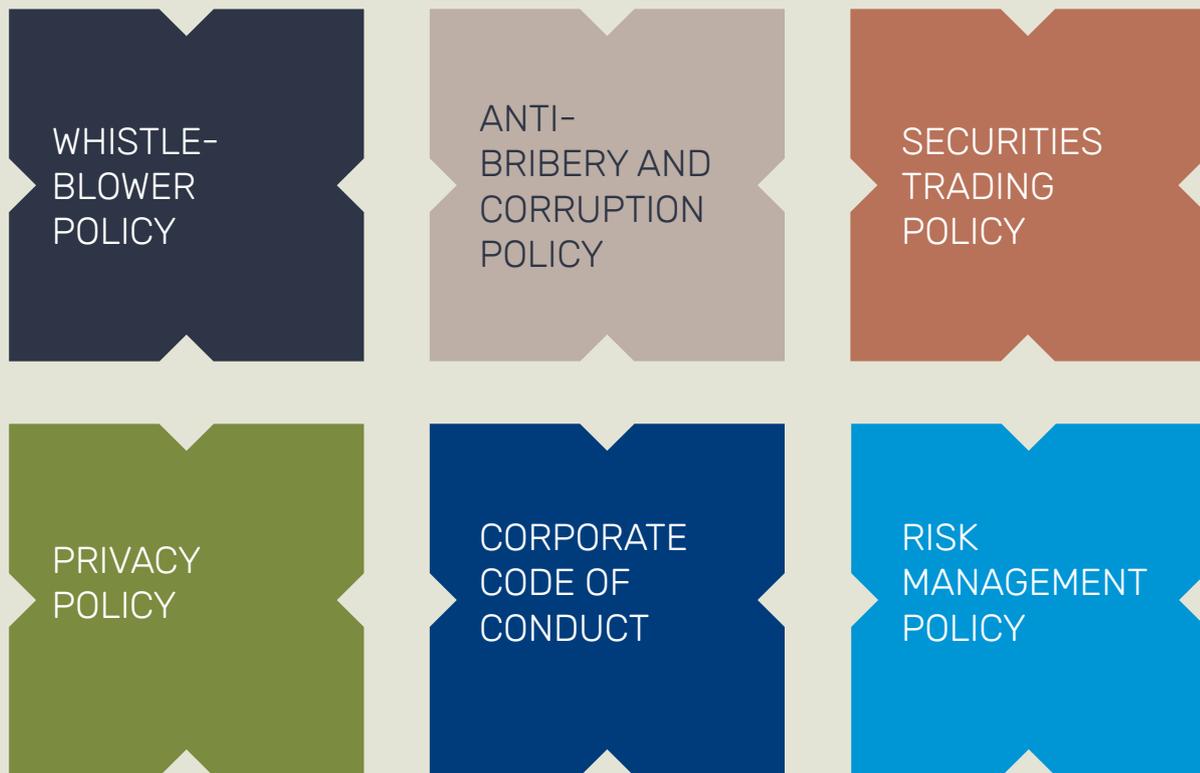
4.5.6   Upholding our Values & Acting Ethically

Stanmore's Code of Conduct, as set out in the Corporate Governance Charter, sets out the standard which the Board, Management and employees are required to comply with when dealing with each other, shareholders and all other stakeholders. Our Code of Conduct outlines how we expect our people to act in relation to responsibilities to our shareholders, clients, customers, consumers, the community, and the overall rights of individuals to ensure that Stanmore's corporate values are always upheld.

4.5.7   Fraud, Anti-Bribery and Corruption

To reinforce Stanmore's commitment to maintaining the highest standards of conduct and ethical behaviour and full compliance with the law in conducting our business, we have an Anti-Bribery and Corruption Policy. Under our adopted Anti-Bribery and Corruption Policy, we make clear the obligations and expectations of our people in relation to our zero-tolerance stance for bribery and corruption in connection with Stanmore's operations and activities.

At Stanmore we prohibit the offering, giving, soliciting and acceptance of bribes, facilitation payments, offering, paying, soliciting or acceptance of secret commission, the giving or accepting of improper gifts, hospitality, or entertainment. We also prohibit the disguising or misrepresentation of any payments or financial records. Breaches of our Policy lead to disciplinary action and may result in termination of employment and referral to regulatory or law enforcement agencies.

We have the following measures in place to safeguard from any fraudulent or corrupt behaviour or activities:

- Employee training to improve awareness of fraudulent and or corrupt business practices, behaviour or activities
- Ensuring that Joint Ventures are controlled by Stanmore through ownership, management and that it complies with our policy or has in place equivalent policies and procedures
- Inclusion of contractual clauses addressing anti-bribery and corruption
- Maintaining oversight of all engagements with third parties to confirm that legitimate work is undertaken and improper payments or conduct does not take place
- Conducting thorough due diligence of any third parties engaged by Stanmore.

Any actual or suspected breaches of our Anti-Bribery and Corruption Policy are required to be immediately reported in accordance with Stanmore's Whistleblower Policy. Our Whistleblower Policy promotes our commitment to ensuring a transparent and honest corporate culture that allows our people to do business with integrity and speak up without the fear of retaliation. As a result, our Whistleblower Policy ensures the protection of any person that makes a report of actual or suspected breaches of the Anti-Bribery and Corruption Policy or any other matter or conduct as set out in the Whistleblower Policy.

> **Our Code of Conduct** outlines how we expect our people to act... and the overall rights of individuals to ensure that Stanmore's corporate values are always upheld.

APPENDIX 1
GRI INDEX

GRI STANDARD	GRI DISCLOSURE		REPORT SECTION	PAGE REFERENCE
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Section 4.1.2 – Energy	21
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Section 4.1.4 – Water Management	24
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	Section 4.1.6 – Biodiversity	27-28
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Section 4.1.1 – Greenhouse Gas Emissions	20-21
	305-2	Energy indirect (Scope 2) GHG emissions		
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	Section 4.1.5 – Waste Management	25
	306-3	Waste generated		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Section 4.3.1 – Employment Practices	34
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Section 4.2.1 – Workplace Health & Safety	31-32
	403-2	Hazard identification, risk assessment, and incident investigation		
	403-5	Worker training on occupational health and safety	Section 4.2.1 – Workplace Health & Safety Section 4.3.1 – Employment Practices	31-32 34-35
	403-9	Work-related injuries	Section 4.2.1 – Workplace Health & Safety	31-32

GRI STANDARD	GRI DISCLOSURE		REPORT SECTION	PAGE REFERENCE
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Section 4.3.1 – Employment Practices	34
	404-2	Programs for upgrading employee skills and transition assistance programs		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Section 4.3.2 – Diversity & Equal Opportunity	35
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Section 4.4.4 – Modern Slavery	40
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Section 4.4 – Social Performance	36–40

ecoStar+ is an environmentally responsible paper made carbon neutral and is FSC Recycled certified. ecoStar+ is manufactured from 100% post consumer recycled fibre in a process chlorine free environment under the ISO 14001 environmental management system.