ASX Announcement | 17 November 2021

2021 Sustainability Report

NEW HOPE CORPORATION LIMITED

ABN 38 010 653 844

New Hope Corporation Limited (**ASX**: **NHC**) is pleased to provide its 2021 Sustainability Report (**attached**).

A copy is also available on the Company's website at: www.newhopegroup.com.au/investor-center

(ends)

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This ASX announcement was approved and authorised by the Board.

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2021 SUSTAINABILITY REPORT

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NEW HOPE GROUP

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New Hope Group is a group of Australian based companies with major operations in coal mining and exploration together with smaller operations in port handling, oil and gas exploration and production, and agriculture.

Our Vision of 'energising our people, communities and customers' guides us in building a sustainable and resilient business that will support the needs of our customers and stakeholders over the long term.

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 Australia and across Asia.

Our business is underpinned by continued demand for high calorific-value Australian thermal coal in our key export markets.

Aligned with our Vision, we are **energisers** of our people, communities and customers – the first link in a global value chain that transforms our product into power for the needs of industry and millions of people around the world.

REPORTING BOUNDARY AND SCOPE

The Sustainability Report, for the period 1 August 2020 to 31 July 2021 ("reporting year" or "FY21"), includes the activities and approach of New Hope Corporation Limited ('New Hope') together with its subsidiaries ('the Group').

The following operations are included[1]:

- Bengalla Mine – Coal mining and rehabilitation and coal marketing[2]
- New Acland Mine– Coal mining and rehabilitation and coal marketing
- Jeebropilly – Rehabilitation/Closure
- New Oakleigh – Rehabilitation
- Lenton Joint Venture – Care and maintenance
- North Surat – Exploration and development
- Queensland Bulk Handling – Port facility
- Bridgeport Energy Limited – Oil and gas exploration and production
- 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
- The Financial Stability Board's Taskforce on Climate related Financial Disclosures (TCFD) recommendations

Details of the financial and operational performance of the Group's operations are set out in New Hope's 2021 Annual Report.

Where information on a particular reporting item is not available for the full reporting period (for example, because of the timing of mandatory statutory reporting requirements) information for the most recently reported 12-month period is shown. Certain previously reported information has been corrected in this report for errors and/or changed reporting parameters.

New Hope has prepared this document based on information available to it. Although reasonable care has been taken to ensure that the facts stated and opinions given in this document are fair and accurate, it may contain information that has not been independently verified. This document also contains forward looking statements which by their nature involve factors which are uncertain and subject to change. Accordingly, no representation or warranty, express or implied is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this document. To the fullest extent permitted by law, none of New Hope, its directors, employees or agents or advisers accepts any liability for any loss whatsoever arising from or in connection with the use of this document or its contents.

1 Note: some sections do not include non-mining operations.

2 New Hope subsidiaries manage the Bengalla Mine and hold an 80% interest in the mine through the Bengalla Joint Venture. For the purposes of this report, data relating to the Bengalla Mine is reported on a 100% basis (rather than based on New Hope's effective 80% interest) except where otherwise stated.

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MESSAGE FROM THE CEO

Welcome to New Hope Group's 2021 Sustainability Report.

This is the third standalone Sustainability Report which New Hope has released and it builds on the work of our previous two reports to provide an important source of information about our business.

Like many other companies, we rightly face scrutiny about both the nature of our business and the way we operate. For us, however, it is the very core of our business – the production and export of thermal coal – that is often called into question.

There are a lot of reasonable questions to be answered. Will we still have a business in years to come? What is our role in the energy transition? How will the communities who live and work in the places we operate be affected?

Our investors and broader stakeholders want to understand our continued viability as a business, while the wider community wants to know how we will play a part in solutions to limit the world's carbon emissions.

Meanwhile – and this is a point sometimes overlooked in our public debates – our customers, and the end-users who they serve, continue to rely on our products as a vital source of energy which cannot readily be switched off without viable substitutes.

It is clear that there needs to be an energy transition. It is also clear coal is a necessary source of energy today and will remain so into the future. These two propositions are not contradictory: the IEA forecasts a continuing role for coal to 2040 and beyond even under the Sustainable Development Scenario, which is the scenario that is consistent with the outcomes targeted by the Paris Agreement.

While coal's role in the energy mix is anticipated to decline over time, it is still reasonable to expect that there will be ongoing demand for high calorific value coal to power many parts of the world for many years to come. Responsible operators who hold the approvals to supply that coal will still have a place in meeting this global demand.

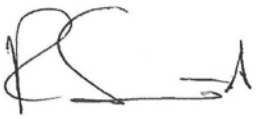
We recognise that our activities have impacts, but we also say that we have a positive role to play as an employer, as a customer for our contractors and suppliers, as a payer of taxes, duties and state royalties, as a custodian of land and as a member of and a contributor to our local communities.

The 2021 reporting year began at a time when the company was facing depressed commodity pricing and further delays in the approval of the New Acland Stage 3 project.

This led to a period of restructuring, ending with a smaller overall workforce and the scaling back of other expenditure. For many of our employees, suppliers and community partners, this has been against the backdrop of a period of uncertainty, especially for the community near our New Acland mine which has now faced many years waiting for certainty as to the mine's future.

Despite these challenges, 2021 was a strong year for the company. Our operations generated excellent revenue through the second half of the year as coal prices rose towards record highs, while our communities got on with many initiatives and events despite the disruptions faced through the reporting year.

While there will no doubt be further ups and downs in our business, industry and markets for our products, we will continue to focus on maintaining a resilient business. As a responsible operator and employer we will prioritise our actions in response to the expectations of our stakeholders, including the communities in which we live and work, in order to create a positive and long lasting, sustainable legacy.



Reinhold Schmidt
Chief Executive Officer

ABOUT NEW HOPE

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New Hope Group is a group of Australian based companies with major operations in coal mining and exploration together with smaller operations in port handling, oil and gas exploration and production, and agriculture.

The success of our ventures, along with a reputation for hard work and responsible management, has seen the business grow from humble beginnings in Ipswich to directly employing over 700 people and providing work to many more contractors and suppliers.

We operate responsibly and sustainably by:

Knowing our **PURPOSE**:
To deliver long-term shareholder value through responsible investment, marketing, and asset management

Focusing on our **VISION**:
Energising our people, communities, and customers

Acting consistently with our **CODE OF CONDUCT**

and

Making decisions according to our **CORE VALUES**:

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

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

Responsibility
We are empowered and accountable for our actions.

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

Resilience
We are adaptable and see opportunity in change.

Collaboration
We work together and focus on the best outcome.

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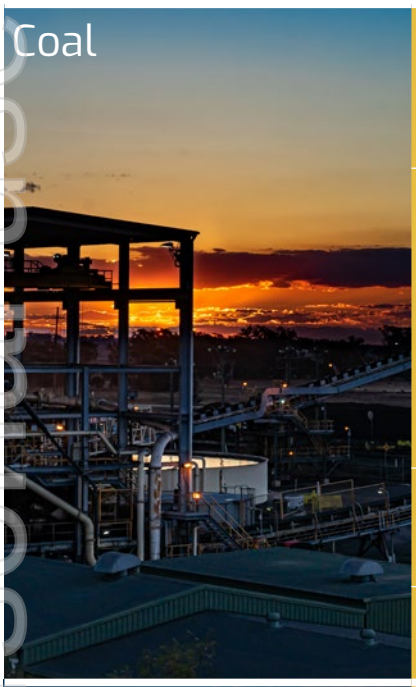
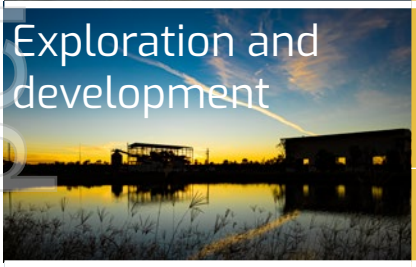
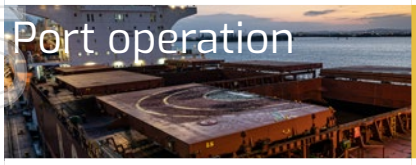
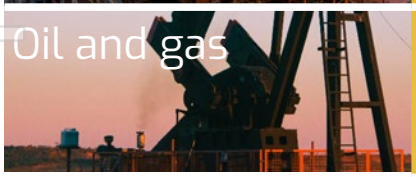
OPERATING ASSETS

 Coal	BENGALLA JOINT VENTURE	The Bengalla mine is a joint venture owned by New Hope (80%) and Taipower (20%). The mine is an open cut operation located near Muswellbrook in New South Wales. In the reporting year, Bengalla produced 9.7 million tonnes of saleable thermal coal.
	NEW ACLAND	The New Acland mine is an open cut operation located northwest of Oakey in Queensland. In the reporting year, the mine produced 1.8 million tonnes of saleable thermal coal. New Hope plans to expand the New Acland mine through the Stage 3 Project. However, due to a protracted delay in obtaining the necessary state government approvals for the Stage 3 Project, the mine's current phase of production is coming to an end, with the mine to imminently move into care and maintenance as Stage 2 coal is exhausted.
	JEEBROPILLY	Jeebropilly is a former open cut thermal coal mine located to the west of Ipswich in Queensland. Mining ended in 2019 and the site is well advanced in its rehabilitation phase.
	NEW OAKLEIGH	New Oakleigh is a former open cut and underground thermal coal mine west of Ipswich in Queensland where rehabilitation activities are in their final stages.
 Exploration and development	LENTON JOINT VENTURE	The Lenton Joint Venture is owned by New Hope (90%) and Formosa Plastics (10%) and includes the Burton mine and the Lenton development project. As previously announced, New Hope has entered into a sale transaction to divest New Hope's interest in the Lenton Joint Venture.
	NORTH SURAT	The North Surat project in Queensland covers Elimatta, Taroom, Collingwood and Woori exploration tenements.
 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. In the reporting year, 3.89 million tonnes of coal was exported through the facility.
 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 approximately 10,000 hectares of land owned by New Hope, on and around our New Acland mine.
	BENGALLA AGRICULTURAL	Bengalla Agricultural is a cattle grazing, dryland and irrigated cropping operation comprising over 800 hectares of land on and adjacent to the Bengalla mine.

HOW WE CREATE VALUE

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Our business model draws on the following enablers to produce, transport and market our products in a safe and sustainable manner.

ENABLERS	PRINCIPAL ACTIONS
SAFETY & WELLBEING	We manage risk to provide a workplace that promotes and supports the health, safety and wellbeing of our team members and stakeholders.
PEOPLE & ORGANISATION	We engage with capable, energised and productive team members who have the resources and opportunity to achieve success. We have a streamlined organisation structure that provides a sense of purpose, accountability and authority to deliver with agility.
ASSETS & RESPONSIBLE OPERATOR	We have a diverse portfolio of assets that we operate efficiently with a focus on reducing risk, creating value and providing a platform for responsible growth. As a responsible operator, we drive a strong and positive culture to deliver as a responsible operator and enable a resilient and agile business and a sustainable legacy.
FINANCIAL RESOURCES & MARKETS	We have access to the financial resources needed to operate our business and growth. We use our financial resources to manage financial and business risk with discipline, seek to reduce cost, and focus on delivering sustainable financial returns. We have access to markets for our products and long-standing relationships with clients and customers.
COMMUNITIES & STAKEHOLDERS	We partner with our communities, industry bodies and governments to operate responsibly and sustainably, and to deliver a positive impact for all stakeholders.

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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.

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 sustainability disclosures are informed by a combination of the external stakeholder engagement exercise carried out in the 2020 reporting year, a board and management engagement exercise undertaken in the current reporting year, review of current and emerging trends, and a peer benchmarking exercise facilitated by an independent consultant during the reporting year. This process helped us identify and prioritise the sustainability topics that are material to New Hope and our stakeholders.

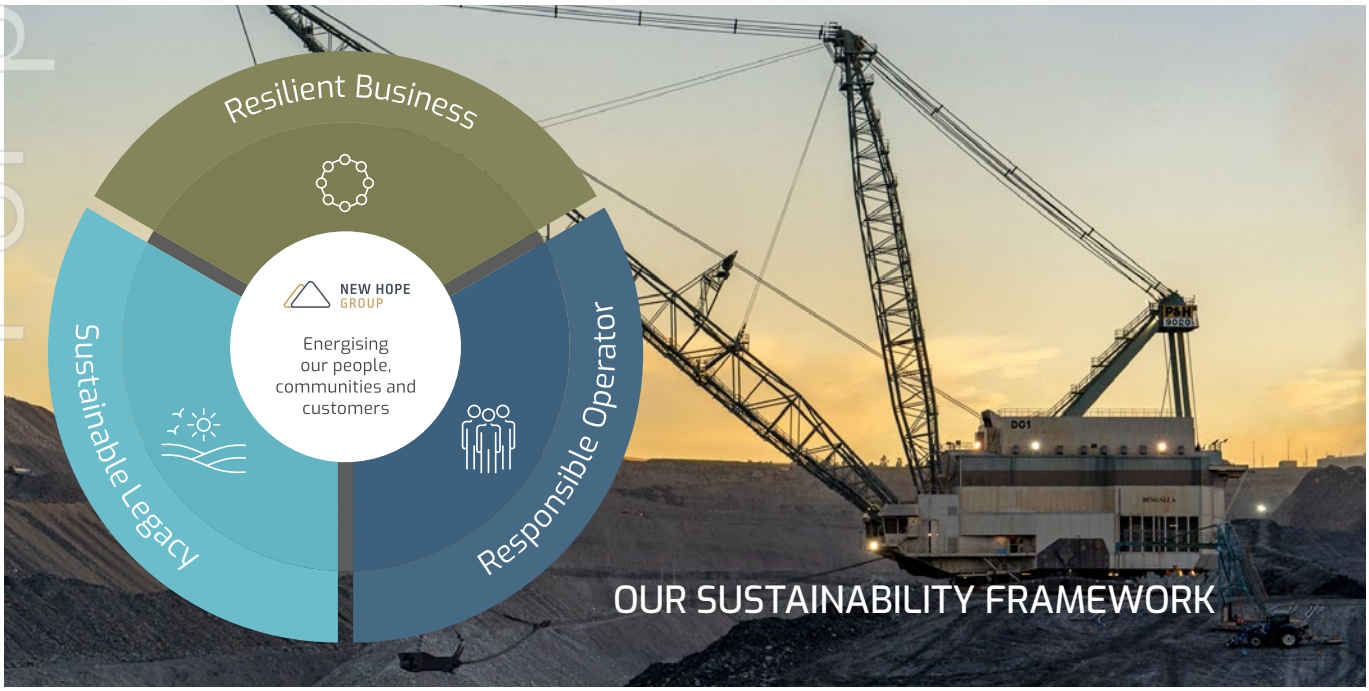
We intend to review the relevance of these issues on an annual basis to ensure we are well positioned to respond to shifting stakeholder and business priorities and expectations.

Material issues were informed by the combination of issues disclosed in New Hope's 2020 Sustainability Report, issues disclosed by two or more peers and issues raised by stakeholders during external stakeholder engagement. Through an in-depth discussion forum based around New Hope's 2020 sustainability priority areas and broader sectoral issues, we found that the same material issues remain relevant in the 2021 reporting year.

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.

The insights from the external stakeholder engagement exercise carried out in the 2020 reporting year validated the areas of stakeholder interest in the table below and were a key input in identifying and prioritising our material issues.



OUR SUSTAINABILITY FRAMEWORK

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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 and dust and noise, closure planning, rehabilitation, 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.

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, and 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:

OUR MATERIAL ISSUES

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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.

TABLE 2: FY21 MATERIAL ISSUES

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.	• Customers • Employees and contractors • Financiers and insurers • Local communities • Shareholders and joint venture partners • Employees and contractors • Local communities	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	Climate Related risks and opportunities
	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.	• Employees and contractors • Local communities	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	Attracting, developing and retaining our people
Responsible Operator	Water stewardship	Effective management of water resources, security of access and potential impacts of finite water supply.	• Government agencies and regulators • Local communities	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Water stewardship
	Operational energy and emissions footprint	Effective management of New Hope's operational energy and emissions footprint and investment in emission reduction initiatives.	• Financiers and insurers • Government agencies and regulators • Industry associations	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	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.	• Government agencies and regulators • Industry associations • Local communities	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Waste and tailings storage facilities management
	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.	• Employees and contractors • Government agencies and regulators	3 GOOD HEALTH AND WELL-BEING	Health, safety and wellbeing

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PILLAR	MATERIAL ISSUES	DEFINITION	RELEVANT STAKEHOLDERS	SDG	REPORT SECTION
Responsible Operator	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.	• Local communities • Shareholders and joint venture partners • Traditional owners		Community engagement
	Air quality and noise	Management of material exposures to noise and dust, including along the freight corridor.	• Government agencies and regulators • Local communities		Air quality and noise
Sustainable Legacy	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.	• Government agencies and regulators • Local communities		Rehabilitation and biodiversity
	Economic development of local and regional economies	Support and invest in the sustainable economic development of our local and regional economies.	• Financiers and insurers • Industry associations • Local communities • Shareholders and joint venture partners		Employment and Procurement
	Taxes, Stamp Duty and Royalties	Providing accurate and timely compliance tax reporting, payment of stamp duty and contributing to regional economies through royalties payments.	• Local communities • Government agencies and regulators		Taxes, stamp duty and royalties paid
Governance	Privacy and cyber security	Managing data privacy and ensuring our business is cyber-secure.	• Customers • Financiers and insurers		Privacy and cyber security
	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.	• Customers • Financiers and insurers • Suppliers		Responsible supply chain
	Ethical business conduct	Conducting our business operations with strong corporate governance, ethical values and transparency.	• Customers • Employees and contractors • Financiers and insurers • Government agencies and regulators • Suppliers		Code of Conduct

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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.

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CLIMATE-RELATED RISKS AND OPPORTUNITIES

OUR POSITION ON CLIMATE CHANGE AND OUR ROLE IN THE GLOBAL ENERGY TRANSITION

Climate change is a critical global issue. The Paris Agreement encapsulates the commitment of currently 192 parties (191 countries plus the European Union) to the long-term goal of reducing global emissions and to limiting global average temperature rise to well below 2°C above pre-industrial levels.

New Hope recognises and supports the need to transition to a global lower carbon economy notwithstanding the inherent risks to our business over the short, medium, and long term. There is also a positive and constructive opportunity for New Hope during this transition. New Hope believes that it is the responsibility of Governments and existing operators to participate in the transition to a global lower carbon economy in a just and equitable way that supports the communities reliant on our business.

Many communities, particularly the large cities of Asia, will still require coal for affordable and accessible baseload energy provided by our customers to power homes and industries in the next two decades and beyond. The communities where we operate will also continue to rely on us for employment and local business and economic opportunity. In the face of these needs, it is neither feasible nor responsible to simply 'turn-off' our business and activity as a solution to climate change as some demand.

Australian thermal coal is widely recognised as having a high energy content and favourable coal quality properties compared to its international counterparts. Constraining supply from Australian mines is no solution when substitute coal supply is still available from other, lower quality and more emissions intensive sources to meet energy demand.[3]

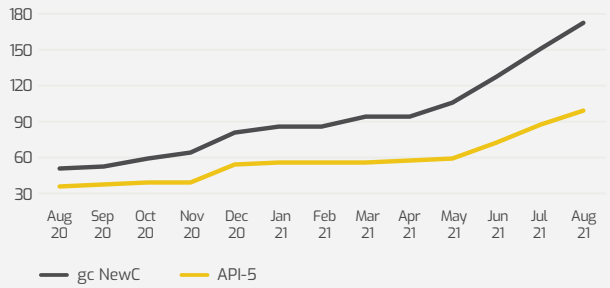
We must therefore take a holistic approach to achieving the necessary transition. We welcome innovations and policies to reduce emissions at scale but through this transition we stand willing to satisfy the ongoing energy needs of our customers and the communities they serve.

Enabling and assisting our communities in Australia to find employment and business opportunity in new or replacement industries and environments is an equally important consideration. We are committed to operating our business in a responsible and sustainable way and contributing meaningfully to the achievement of a just transition to a lower carbon global economy.

THE CURRENT STATE OF COAL AS PART OF THE PRIMARY ENERGY MIX

Coal remains by far the largest single source of power generation in the world, accounting for 35 percent of global generation capacity. Despite the reporting year beginning in the midst of a COVID-19 related slump in demand, the later part of the year saw demand for our coal product rebound with prices increasing to near record highs.

FIGURE 1: THERMAL COAL PRICES US$/TONNE – FY21

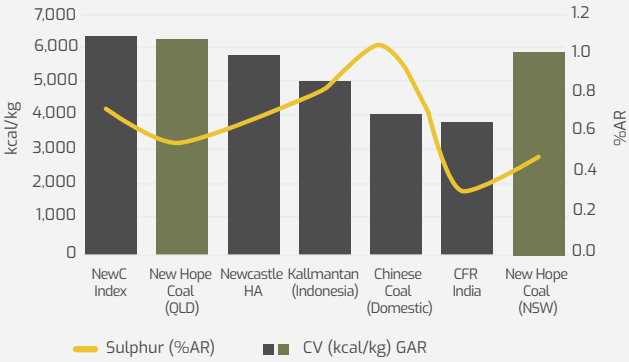


We discuss future scenarios below, but for today our coal remains in high demand and essential to the supply of energy to millions of people around the world.

OUR COAL

Our operations produce high energy (high calorific value) coal which is low in ash, sulphur and nitrogen, delivering superior coal quality outcomes, including low levels of nitrous oxide, carbon dioxide and sulphur emissions when compared with many other coal products. This in turn helps to reduce the emissions intensity per unit of electricity generation.

FIGURE 2: 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.

As an exporter of high energy, low sulphur, low ash coal, the use of our coal contributes to lower emissions per unit of energy produced than other varieties. New Hope is well positioned to continue being a supplier of choice into markets that continue to rely on high quality coal for baseload power generation.

Our coal will also be a product of choice for high efficiency, low emitting (HELE) power stations. Support for high HELE power generation technology for both new and upgraded plant will play a key role in meeting future energy demand.

3 See https://www.regional.nsw.gov.au/__data/assets/pdf_file/0017/1304135/Strategic-Statement-on-Coal-Exploration-and-Mining-in-NSW.pdf

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WHAT IS HELE?[4]

Technological developments in coal-fired power generation have led to efficient power plants that use less coal to generate the same amount of electricity. As a result, HELE power plants emit less carbon, release less local air pollutants and consume less water. HELE technology units emit 25–33% less CO_2 than the global average CO_2 emissions from existing electricity generation fleets and up to 40% less than the oldest technologies.[5]

THE FUTURE OF COAL

We recognise that in the present fast-changing political and technological landscape, continuing to stress test the market outlook for our products is key.

The IEA provides a range of plausible future scenarios on the future of the global energy market. We have assessed the two core scenarios, the Stated Policies Scenario (STEPS) and the Sustainable Development Scenario (SDS), outlined in the IEA's 2020 World Energy Outlook to inform our understanding of the resilience of our business strategy moving forward.

IEA SCENARIOS

The Stated Policies Scenario provides the IEA's forecasts based on existing policy frameworks and announced policy intentions.

The Sustainable Development Scenario sets out the IEA's view of CO_2 reduction targets needed to meet the goals of the Paris Agreement.

Both scenarios show an ongoing need for thermal coal through to 2040. Of the two scenarios, the Sustainable Development Scenario contemplates the most aggressive cuts in CO_2 emissions and therefore outlines a steeper fall in coal demand.

While the IEA expects declines in global thermal coal demand in both scenarios, this is primarily driven by steep decarbonisation in Europe and North America.

In the Asia Pacific[6], which holds the destinations for the vast majority of the Group's coal products, there is little decline in overall demand through to 2040 under the Stated Policies Scenario. Even under the more ambitious Sustainable Development Scenario, there remains a role for a smaller amount of coal to serve the region.

ASIA PACIFIC COAL DEMAND	2019	2030	2040
Stated Policies Scenario			
Demand in Mtce	4135	4182	4034
As percentage of global demand	77%	84%	85%
Sustainable Development Scenario			
Demand in Mtce	4135	2762	1564
As percentage of global demand	77%	86%	85%

Source: IEA World Energy Outlook 2020, IEA, Paris.

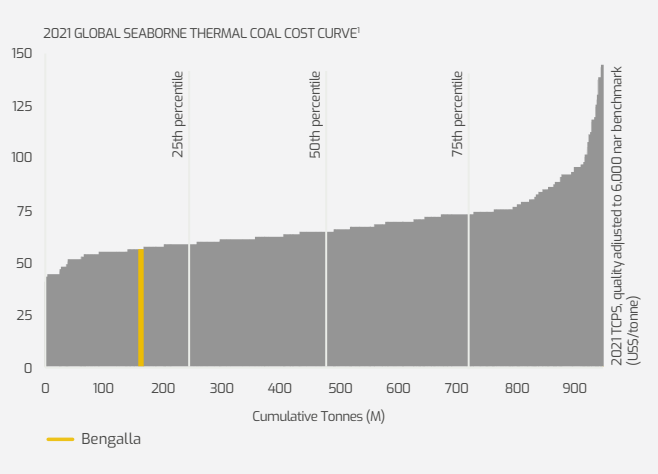
We have specifically stress tested our Bengalla and New Acland mines from a cost curve perspective against the latest versions of the IEA scenarios. The results of this analysis are included below.

OUR OPERATIONS ARE WELL PLACED ON THE COST GLOBAL SUPPLY COST CURVE

The mines which will be most resilient in a future declining demand scenario will be those with comparatively lower breakeven costs.

Both of our key assets, Bengalla and New Acland, have traditionally been very competitively placed on the global cost curve with low breakeven costs relative to the majority of other mines.

FIGURE 3: OUR CURRENT POSITION ON THE GLOBAL COST CURVE



Source: Wood Mackenzie Q3 2021 dataset.
New Hope estimates for own assets.

1 Cost curve represents FOB (Free on Board) natural market, where the natural market is defined as the major consumer for each producing region. Bengalla's current position is based on an exchange rate of 0.77 AUD to USD, resulting in a resilience to recent low prices. New Acland has been excluded given its move into a care and maintenance phase.

4 IEA, Technology Roadmap – High-Efficiency, Low-Emissions Coal-Fired Power Generation. *https://www.iea.org/reports/technology-roadmap-high-efficiency-low-emissions-coal-fired-power-generation*

5 Ali H, Phoumin H, Weller SR, Suryadi B. Cost–Benefit Analysis of HELE and Subcritical Coal-Fired Electricity Generation Technologies in Southeast Asia. Sustainability. 2021; 13(3):1591. *https://doi.org/10.3390/su13031591*

6 As per the IEA's regional groupings

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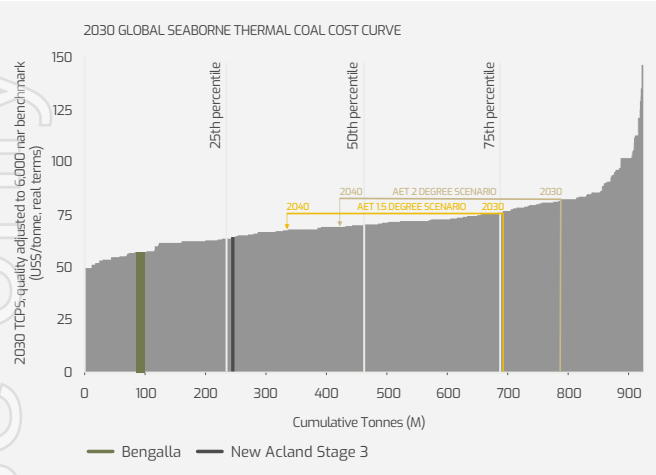
FIGURE 4: OUR FUTURE POSITION ON THE GLOBAL COST CURVE



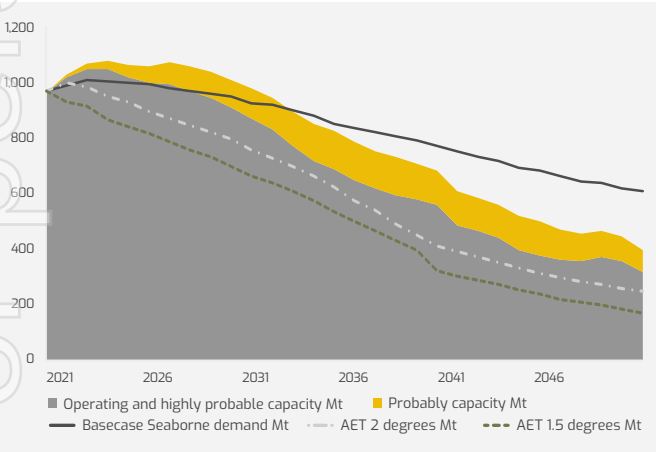
1 Cost curve represents FOB (Free on Board) natural market, where the natural market is defined as the major consumer for each producing region. The movement of Bengalla's position on the cost curve in 2030 can be attributed to changing exchange rates, projected to be at 0.71 in 2030. The New Acland projection is based on a successful Stage 3 approval and assumes an operational output of 5.5 mpta.

FUTURE SUPPLY IS LIKELY TO BE CONSTRAINED

New Hope expects that future supply will also be constrained as producing mines reach the end of their life and new approvals, extensions or expansions become more difficult to secure.

This means that existing mines with remaining reserves and long-dated approvals will be favourably placed to satisfy remaining demand in the future, even in circumstances of falling demand.

FIGURE 5: EMERGING SUPPLY GAP IN THE GLOBAL SEABORNE MARKET



Source: Wood Mackenzie.

With approvals to continue mining until 2039 and as a high quality, low cost producer, Bengalla is positioned to continue to satisfy future long term demand, despite overall demand decline longer term.

New Acland presently faces a period of uncertainty, with the Stage 3 project an example of how difficult it has become to secure approvals for new, extended or expanded projects. However, if approvals are finally secured New Acland will also benefit from long dated approvals and a competitive cost position in the global market.

CLIMATE CHANGE GOVERNANCE

BOARD AND COMMITTEE OVERSIGHT

The Board, through the Audit and Risk Committee (ARC), 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.

Additionally, the Health, Safety, Environment and People Committee (HSEPC) is responsible for health, safety and environment risk matters. The HSEPC advises the ARC of health, safety and environment risk matters that could affect the Company's risk appetite and compliance processes.

ENTERPRISE RISK REGISTER

The ARC oversees the Enterprise Risk Register, which is updated on an annual basis to reflect updates to existing risks, include any additional risks, and to discuss potential mitigating activities for the current reporting year. The ARC meets quarterly, discussing strategic risks, including climate change.

In the 2021 reporting year, 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 ARC also provides an advisory role to executive management to ensure mitigating strategies are implemented at the Business Unit level and is responsible for reviewing external disclosures.

ACCOUNTABILITY

The executives and senior management are accountable for delivering the Company's strategy and managing climate-related risks and opportunities throughout the business.

CLIMATE-RELATED RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

The identification and management of climate-related risks is embedded as part of New Hope's Risk Management Framework. At a strategic level, the scope of the Risk Management Framework applies to risks that are material to the achievement of the key objectives of New Hope and related business plans.

In the reporting year, a review of the Risk Management Framework was undertaken. This involved re-aligning roles and responsibilities and reviewing and re-defining the risk matrix consequence levels to reflect organisational changes and changed business conditions.

CLIMATE RISK REVIEW

Towards the end of the reporting year, as part of the annual risk review processes, the Board was updated on and reviewed climate-related risks, including changes to the external operating context, global megatrends and opportunities for consideration. The review exercise assessed risk using the TCFD framework, validating the relevance of the Group's existing climate-related risks and opportunities.

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MATERIAL CLIMATE-RELATED RISKS AND OPPORTUNITIES

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.

The following section outlines New Hope's material climate-related risks, potential and actual impacts and mitigating activities and opportunities.

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. The Group considers the potential impacts of each risk over the short, medium and long-term respectively, and determines corresponding mitigation strategies accordingly.

The risks shown are extracted from those recorded on the Enterprise Risk Register, where risks have been assessed in terms of their financial consequence, likelihood across multiple time horizons and the effectiveness of our mitigating activities.

TABLE 3: CLIMATE-RELATED RISKS AND OPPORTUNITIES

	RISK AND DESCRIPTION	POTENTIAL IMPACT ON NEW HOPE	MITIGATING ACTIVITIES OR OPPORTUNITIES
TRANSITION: Policy and legal	**Legislative and policy changes** *Including:* Changes in government policies that restrict the mining or use of coal or the use of land for coal mining and related activities. The introduction of new and/or more stringent carbon pricing mechanisms. Changes in government policy relating to either coal consumption or energy generation in large Asian economies could impact the longer-term outlook for global coal demand.	• The ability of the Group to develop new coal projects or to extend the life of existing projects could be impacted, together with increased uncertainty and cost associated with the granting of approvals. • The Group could incur increased operational costs as a result of new and/or more stringent carbon pricing mechanisms. • New and/or more stringent carbon pricing mechanisms could reduce the demand for thermal coal as a source of energy. *The financial impact of any future policy changes will depend on the nature and timing of those changes.*	• The Group continues to proactively monitor the policy environment both domestically and internationally, including social and political appetite for changes that may impact the Group. • The cost competitiveness and relatively low-strip-ratios (with correspondingly shallower reserves and lower diesel usage) of the Group's operations mitigates the risk that carbon pricing would increase the Group's cost to supply relative to other producers. • The cost competitiveness of the Group's operations relative to other producers also means that the Group should have relative resilience in circumstances of lower global demand. • The Bengalla mine has existing approvals that extend out to 2039, enabling it to avoid potentially long and costly mine extension approvals. • If the New Acland expansion is approved, the New Acland mine will have an approval term matching the remaining mine life.
	Exposure to litigation and regulatory scrutiny Increased litigation from shareholders, insurers and activist organisations against governments and companies, either seeking compensation for damages caused to them attributed to climate change impacts or to force greater action.	• Increased costs associated with defending legal claims (including public liability claims) and/or environmental and development approvals for new coal projects or the extension of existing projects. • Reputational damage because of stakeholder's perception that the Group's action on climate change is inadequate, together with ongoing stigmatisation of the coal sector.	• The Group has a strong, long-standing reputation for operating in a responsible and respectful 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 a "responsible operator of choice" for both current and future projects. • The Group actively participates in industry groups such as Queensland Resources Council.

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	RISK AND DESCRIPTION	POTENTIAL IMPACT ON NEW HOPE	MITIGATING ACTIVITIES OR OPPORTUNITIES
TRANSITION: Market	**Market driven shift to a lower carbon economy** A transition toward a global lower carbon economy has the potential to reduce global demand for thermal coal.	• 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 defining decisions and actions. • The number and mix of market participants could lead to increased volatility in the supply and pricing of thermal coal. • 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, such as 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's largest asset (Bengalla) produces high calorific value coal which can be expected to remain in demand in a low-carbon market. • The Group will continue to stress-test the business strategy against a range of scenarios outlined by the IEA and other relevant third parties on the future of the global energy and seaborne coal markets.
	Access to capital and insurance Driven by investor concern over climate-related risks, changes in lending and insurance policies may increase the cost associated with access to and cost of capital and insurance.	• Pricing for financing and key services such as insurance may continue to increase if the pool of parties prepared to partner with the thermal coal industry reduces significantly.	• The Group will monitor the market conditions and explore opportunities to diversify funding sources, as well as maintain active engagement with existing and future potential providers. • The Group will continue to ensure that all existing obligations are met with regard to existing operations. • The Group will continue its disclosures on climate related risks and opportunities.

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	RISK AND DESCRIPTION	POTENTIAL IMPACT ON NEW HOPE	MITIGATING ACTIVITIES OR OPPORTUNITIES
TRANSITION: Technology	**Substitution of thermal coal for lower emissions technologies** There are technological risks associated with the transition away from thermal coal toward lower emissions and renewable energy sources, which has the potential to reduce global demand for thermal coal.	• Technological improvements, innovations and alternative energy sources that support the transition to a lower carbon economy will affect the competitiveness of some organisations in the industry, production and distribution costs and also product demand. • 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. • The market is demanding lower ash coals, with specific requirements to which the Group may have to adhere in future, or risk a possible loss of market.	• As the global economy transitions towards lower emission energy sources, Paris Agreement-aligned scenarios accept that there will be ongoing demand in the medium term for high quality thermal coal to supply high efficiency low emission coal fired power stations in order to generate affordable baseload power. The Group's high-quality thermal coal reserves are ideally placed to meet that demand. • The Group will continue to monitor developments that have application to the mining and broader energy industries and consider investing in new technologies. • 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, such as New Hope. • The Group will work to understand alternative coal qualities that we could supply.

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	RISK AND DESCRIPTION	POTENTIAL IMPACT ON NEW HOPE	MITIGATING ACTIVITIES OR OPPORTUNITIES
TRANSITION: Reputation	**Stakeholder exclusion** Customers, suppliers and other stakeholders have begun including climate related considerations into their decision-making processes around businesses with which they will engage, which may lead to the exclusion of New Hope.	• As climate considerations become increasingly important, there is a growing risk of the loss of community and/or government confidence and support. • Negotiations with local communities, indigenous people and governments could be impacted as a result of increasingly negative sentiment associated with thermal coal. • 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.	• The Group has formed strong relationships with all key stakeholders, and will continue its investment in our local schools and universities to support the next generation of our workforce. • The Group will conduct high level Environmental Compliance reviews and monitor and identify areas for continuous improvement within the community in order to strengthen our social licence to operate.
Physical	**Increased frequency and severity of acute extreme weather events & chronic changes in weather patterns and rising mean temperatures** Increases in the frequency and intensity of extreme weather events, as well as longer term shifts in climate patterns, risks loss of infrastructure, or disruptions to mining operations.	• Disruptions to mining and port operations, damage to or loss of key infrastructure could result in delays, increasing operating costs, and loss of revenue. • Rising mean temperatures may impact workplace health and safety and the ability of our workforce to carry out their job in acceptable conditions. • Intensity and duration of droughts may have a longer-term impact on operational reliability or longevity of mining equipment.	• The Group actively manages climate change risks through our Risk Action Plan and the standard risk management process. • 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 New Acland Mine utilises recycled wastewater, increasing its resilience in the event of drought.

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ATTRACTING, DEVELOPING AND RETAINING OUR PEOPLE

We value our people and provide our workforce a sense of purpose and opportunities to achieve their career aspirations.

A YEAR OF CONSOLIDATION

The ongoing delay to the New Acland Mine Stage 3 approvals and imminent exhaustion of existing Stage 2 coal together with the economic fallout from COVID-19 presented a challenging time leading into the reporting year. These circumstances precipitated the need to implement material cost control measures to match the ramp down of New Acland and to reduce corporate overheads.

In this regard, the Group implemented significant role redundancies at the New Acland mine and consequent corporate roles significant restructure.

Overall, 170 roles were made redundant across the business in the reporting year and a leaner, more agile management structure has been established. This new team structure has enabled our corporate team to concentrate on key business requirements and our operational team to focus on the core business operations needed to achieve success and growth.

TABLE 4: WORKFORCE BY GENDER, AGE GROUP AND EMPLOYMENT TYPE

INDICATORS	YEAR TO 31 JULY 2021	YEAR TO 31 JULY 2020	YEAR TO 31 JULY 2019
Number of employees	727	873	1024
By gender			
Female	92	152	147
Male	635	721	877
By geographical region			
New South Wales	522	508	489
Queensland	205	365	535
By age group			
Below 30	58	64	84
30-50	434	525	602
Over 50	235	284	338

TURNOVER

New Hope reports a 25.6% turnover rate for the reporting year, inclusive of the 170 redundancies predominately in our Corporate, New Acland and QBH teams. When looking at natural attrition only, the turnover rate reduces to 4.3%.

New Hope remains a significant regional employer, helping to shift the balance from the focus on capital city employment and contributing to our communities through greater regional opportunities.

TABLE 5: EMPLOYEE TURNOVER

INDICATORS	YEAR TO 31 JULY 2021	YEAR TO 31 JULY 2020	YEAR TO 31 JULY 2019
Rate (%) of employee turnover	25.6	30	10
By gender (% of turnover)			
Female	56.6	27.4	23.1
Male	20.1	30.8	12.3
By geographical region			
New South Wales	6.4	10	17.9
Queensland	60.4	52.7	11.8
Average tenure			
Employees with 25 years tenure or greater	10	11	31

OUTPLACEMENT SUPPORT

As a result of 170 redundancies made during the reporting year, New Hope invested in suitable outplacement programs to support team members re-entering the jobs market.

At New Acland, Life Coach support has been provided to all employees affected by the restructuring. Through this program team members were supported in resume development, job hunting activities, coaching in interview techniques, retirement planning, developing of self-employment business plans and set up, and a number of key skills to enable successful outcomes post-employment with New Hope.

DIVERSITY, INCLUSION AND GENDER EQUALITY

We strive to ensure everyone is provided with equal opportunity in all aspects of employment.

While we do not set specific gender targets, the Group works to foster a workplace where all team members feel that they are valued members of the organisation; that they are treated fairly and with respect, and know that inappropriate behaviour is not accepted nor tolerated in our workplace.

New Hope's Diversity and Inclusion Policy Statement is accessible via the New Hope website, and every year New Hope reports key statistics relating to gender in the workplace to the Workplace Gender Equality Agency (WGEA).

Diversity indicators for the reporting year have been affected by the restructures which have occurred within the business, including significant reductions in headcount at Executive and Senior Management level. Overall, there was a decrease in female representation at most levels, primarily driven by corporate redundancies, together the winding down of New Acland and the closure of the Jeebropilly office.

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TABLE 6: DIVERSITY OF GOVERNANCE BODIES AND WORKFORCE

INDICATORS	FY21 COUNT		FY20 COUNT		FY19 COUNT	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Board	1	4	1	6	1	6
Executive	0	2	2	5	2	5
Senior Management	1	10	13	33	14	56
Management	7	40	4	55	4	62
Frontline Employees	83	579	133	628	128	876

INDICATORS	FY21 %		FY20 %		FY19 %	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Board	20%	80%	15%	85%	15%	85%
Executive	0%	100%	28%	72%	28%	72%
Senior Management	9%	91%	28%	72%	20%	80%
Management	15%	85%	7%	93%	6%	94%
Frontline Employees	13%	87%	17%	83%	15%	85%

Note: These data only include permanent employees of New Hope and not contractors.

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CASE STUDY: SUPPORTING WORKERS THROUGH MINE CLOSURES

Jeebropilly Mine reached end of life in late 2019, the company implemented a plan that would not only be embraced by its workforce but set them on the path for success once the mine closed.

The Jeebropilly 'Finishing Well' program was tailored to meeting the needs of the business and out team members, focusing on retaining and engaging employees, while maintaining its positive safety culture and safe production. Team members educated in personal change management and career transition, they were provided education to assist their financial position and future, wellbeing, redundancy knowledge and job preparation through resume writing, job seeking skills and interview techniques.

This program gained external recognition in October 2020, receiving the "2020 AMMA Workforce and Workplace Relations Innovation Award", given the success of the program in engaging and supporting team members through a challenging time, and delivering excellent productivity delivered safely with Total Recordable Injury Frequency Rate maintained below industry average through the two-year period of the 'Finishing Well' program.

Recognising that no two mine closures are the same, New Hope has taken a tailored approach specific to the needs of our New Acland Mine team, ensuring once again our leadership team are supporting the personal requirements of our team members including training, wellbeing, redundancy knowledge and job preparation through resume writing, job seeking skills and interview techniques have been supported for the team. The New Acland Mine program to culminate with the mine site shifting to care and maintenance towards the end of 2021.

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TRAINING AND DEVELOPMENT

LEADING OTHERS PROGRAM

Focused on supporting our frontline leaders, the Leading Others 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. In the reporting year New Hope continued to provide the Leading Others program, providing a formal qualification (Certificate IV in Leadership and Management) to support the development of 11 leaders within the business.

Despite COVID-19-related interruptions, the program continued through remote group sessions and one on one support. Additionally, direct one on one leadership development coaching commenced for another 12 leaders identified through talent development opportunities. This coaching is focused on individual development needs of current and future leaders in our business.

TABLE 7: TRAINING UNDERTAKEN AT NEW HOPE IN FY21

TRAINING	EMPLOYEE #	CONTRACTOR #	TOTAL
Fitness for Work	46	146	**192**
Emergency response	101	8	**70**
Fire Warden Training	3	-	**25**
Mental Health/ Awareness training (including Peer support)	169	17	**186**
Site Inductions (new)	212	1030	**1535**
Site Induction refresh	35	66	**101**
Statutory Development (e.g. site executive and safety positions)	41	-	**41**

In the reporting year, New Hope helped kick-start the mining careers of a total of 78 trainees, graduates, apprentices and vacation students.

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.

APPRENTICESHIPS AND CAREER SUPPORT

New Hope is committed to developing young talent in the field and continues to partner with several local schools within Brisbane, regional QLD and NSW promoting mining and STEM careers and general education of the industry.

In the reporting year the Group hosted:

- 18 MIGAS Trades apprenticeships (1/18 female)
- 1 x MIGAS Business Trainee
- 49 x Workpac Operational Trainees (25/49 female)
- 2 x mature age apprentices directly engaged at Bengalla
- 2 x Graduates who became fulltime employees post completion of graduateship.
- 6 x vacation placements across STEM disciplines (2/6 female)

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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 any negative impacts of our activities.

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WATER STEWARDSHIP

Water is a valuable resource shared with our communities and we are committed to mitigating and minimising the impacts of our operations on local water resources.

Throughout the reporting year we have continued to closely monitor our water usage and each site has a tailored water management plan in place.

NEW ACLAND

At New Acland, recycled water is available from the Wetalla Wastewater Treatment Plant which produces recycled waste water from the city of Toowoomba. With reduced operations at New Acland, only 1287ML of water from Wetalla was utilised in the reporting year, with the majority of that water (859ML) used in Pastoral Activities.

A significant amount of water is stored on site in environmental or sediment dams, providing New Acland with a very stable water supply.

Limited groundwater is drawn at New Acland for use as potable water at the mine.

Improvements to the New Acland water management system have been implemented, with the reuse and recycling of tailings water and other captured surface water from sediment dams or pit water maximised in the Coal Handling and Preparation Plant (CHPP) system.

BENGALLA

Bengalla's approved Water Management Plan has been developed according to the requirements of the development consent in consultation with designated regulatory authorities.

Bengalla seeks to minimise its use of clean water from external sources by prioritising mine water re-use in the site's water management system. Where re-use cannot be achieved, Bengalla can utilise water runoff captured on-site from dirty water catchments, uncertified rehabilitation areas and can draw water from the Hunter River according to its water licence via the site raw water dam.

Bengalla has a groundwater licence consistent with the environmental impact statement predictions under its development consent. For the most recent period reported (2020 calendar year) passive groundwater inflow to Bengalla open cut was below the mine's entitlement under its groundwater licence.

GROUP CONSUMPTION

Although water consumption across the group increased by 13%, our overall withdrawal of water decreased by 28% from FY20 levels. This was primarily due to reduced withdrawal from the Hunter River at Bengalla, and some smaller reductions at New Acland and Burton.

TABLE 8: NEW HOPE TOTAL WATER WITHDRAWAL BY CATEGORY

CATEGORY	UNIT OF MEASURE	ACLAND	BENGALLA	BRIDGEPORT	LENTON JV	JEEBROPILLY	TOTAL
Surface Water	ML	1,200	698	-	1	-	1,899
Groundwater, including dewatering	ML	339	113	1,314	-	-	1,766
Third party water (Wetalla Recycled Water)	ML	428	-	-	-	-	428

Note: table does not include water for agricultural use.

TABLE 9: NEW HOPE YEAR ON YEAR WATER CONSUMPTION

CATEGORY	UNIT OF MEASURE	YEAR TO 31 JULY 2021	YEAR TO 31 JULY 2020
Water withdrawn (including Wetalla water)	ML	4,093	7,507
Water discharged	ML	1,571	1,178
Total water consumption	ML	3,185	2,813

Note: table does not include water for agricultural use.

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OPERATIONAL ENERGY AND EMISSIONS FOOTPRINT

New Hope is committed to identifying opportunities to minimise 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 on pollutants annually under the National Pollutant Inventory legislation.

For the 2020 reporting year, our Scope 1 and 2 emissions increased by 2% on the previous year. This was largely the result of increased production at Bengalla.

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' mine[7].

In the reporting year Bengalla continued to push forward measures to minimise the release of greenhouse gas (GHG) emissions from its operations. These measures included the continued use of B2 biodiesel, further optimisation of fleet operating conditions and the use of high efficiency electric motors and lighting systems.

Operational Scope 1 and 2 GHG Emissions and Energy Consumption indicators are shown in Table 10 below. A drop in ROM production from New Acland and Jeebropilly (with the latter having ceased production in late 2019) has meant a slight increase in emissions and energy intensity per ROM tonne for the most recent period shown.

WASTE AND TAILINGS STORAGE FACILITIES MANAGEMENT

WASTE

New Hope adopts a responsible approach to the management of both regulated and non-regulated 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.

TABLE 10: OPERATIONAL SCOPE 1 AND 2 GHG EMISSIONS AND ENERGY CONSUMPTION[8]

INDICATORS	UNIT OF MEASURE	YEAR TO 30 JUNE 2020	YEAR TO 30 JUNE 2019	YEAR TO 30 JUNE 2018
Total Scope 1 and Scope 2 greenhouse gas emissions	tCO_2-e	702,779	689,711	156,100
ROM production	tonnes	19,089,654	21,534,917	10,202,614
GHG emissions intensity (tCO_2-e per tonne ROM coal produced)	tCO_2-e/t	0.037	0.0320	0.0153
Total energy use	Gigajoules (GJ)	3,938,219	4,370,425	1,391,588
Energy intensity (GJ per tonne ROM coal produced)	GJ/t	0.206	0.2029	0.133

Figures for greenhouse gas emissions and total energy use comprise all Group activities as reported to the Clean Energy Regulator. This includes Bengalla, New Acland and Jeebropilly, as well as head office, Bridgeport and QBH. The Group-wide inclusion of non-mining activities results in higher emissions intensity and energy intensity figures when measured against ROM coal produced than would be the case, if only the producing mines were included. Bengalla was first included in the above figures (on a whole mine basis) in the year ending 30 June 2019, being the year when New Hope assumed management of the mine. The inclusion of the Bengalla is the reason for the large increase in production and emissions figures in that year.

7 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.

8 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 2021. Our FY21 data will therefore be disclosed in our FY22 Sustainability Report.

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TABLE 11: TOTAL WASTE COLLECTION AND RECYCLING

INDICATORS	UNIT OF MEASURE	YEAR TO 31 JULY 2021	YEAR TO 31 JULY 2020
Total hazardous and non-hazardous waste	Tonnes	3,709	3,742
Total hazardous waste	Tonnes	1,014	1,168
Total non-hazardous waste	Tonnes	2,695	2,574
Total waste recycled	Tonnes	1,295	1,585
Total hazardous waste recycled	Tonnes	522	606
Total non-hazardous waste recycled	Tonnes	773	979
Percentage of total waste recycled	%	35%	42%

Table includes Bengalla and rest of New Hope, other than Bridgeport.

TAILINGS STORAGE FACILITIES

NEW ACLAND

At New Acland, we are actively working to increase the clean water recovery through the tailings dams. This is being achieved through utilising flocculant more efficiently via the implementation of automated flocculation systems. This reduces flocculant wastage and increases clean water recovery. 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. We have also increased the efficiency of stacking of solids in the storage facility helping to extend the life of the dam. Through remote monitoring we can identify potential failures early on and therefore minimise the impacts.

BENGALLA

Bengalla processes tailings within the Coal Handling Preparation Plant. 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.

JEEBROPILLY

At Jeebropilly, our TSF is located within an area of mining excavation and is consequently bounded by the walls of the mining void. Options for potential beneficial re-use of tailings are being considered as part of the planning for the site's rehabilitation activities.

BURTON

The Burton mine has two co-disposal areas which are managed in accordance with legislative requirements. As Burton is under care and maintenance, no materials are currently being placed in the co-disposal areas.

TAILINGS AND RECLAIMED WATER AT NEW ACLAND

New Acland's CHPP 1 Thickener, shown below, is used for reclaiming clean process water from the fine coal reject circuit of the plant. This is achieved by adding flocculant to the reject from the fine coal circuit as it flows into the thickener which causes the fine reject particles to clump together and settle to the bottom of the tank and form a tailings slurry. The resulting clear water at the top of the Thickener after the fines are settled out is then reused in the CHPP as process water. The tailings slurry from the bottom of the Thickener is then pumped to the in-pit tailings dam where additional flocculant is added to assist in settling and further water reclamation. The process allows for a more stable foundation for deposited tailings leading to reduction in the number of in pit tailings required over the life of the mine.

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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. We are committed to building a culture that is focused on employee safety and wellbeing.

New Hope has a five-year Health and Safety plan based around the principles of Plan Do Check Act and is aimed at reducing avoidable injury occurrences.

5 YEAR HEALTH AND SAFETY PLAN FOCUS AREAS:	
PLAN	• HSE Risk Management Standardisation • Critical Risk management program (decentralised) • Integrated Health Safety & Environment Management Systems
DO	• Engaging personnel in managing own safety outcomes e.g. safety interactions, hazard reporting, mate safe, peer on peer • Implementation of standardised methodology and tools e.g. Job Hazard Analysis (JHA) and Workplace Risk and Control (WRAC) • Hygiene monitoring and reporting
CHECK	• Continuation of internal and external audit programs • Lessons Learned Forum – sharing of events and opportunities (includes NHG and Industry) across the group
ACT	• Identify trends from audit findings and ensure opportunities are enacted to improve strategic and operational health and safety management systems • Ongoing review of legislative changes to ensure ongoing maintenance and compliance of the Health Safety Management System

SAFETY PERFORMANCE

In the reporting year the Group's Total Recordable Frequency Rate (TRIFR) decreased to 5.39 from 5.99 when measured on a like for like basis.[9] The Group's performance across all of its operations is below the 2018-2019 NSW Opencut Coal Mine five-year average of 6.03.

This TRIFR represents 13 total injuries comprising 6 lacerations and 7 musculoskeletal injuries (which includes sprains and strains).

To address these injuries, individual sites embarked on targeted programs to address the specific issues at their sites which included, but was not limited to safety interactions, education and awareness. Learnings from these incidents was also shared across the Group when an outcome had group wide significance.

In the reporting year QBH has extended its record of being Lost Time Injury (LTI) free to nine consecutive years, while Bridgeport has been LTI free for seven consecutive years.

TABLE 12: HEALTH, SAFETY AND WELLBEING METRICS (WHOLE OF GROUP)

INDICATORS	YEAR TO 31 JULY 2021	YEAR TO 31 JULY 2020
Fatalities (employees and contractors)	0	0
Total recordable injuries (employees and contractors)	13	8
Number of hours worked (employees and contractors)	2,413,936	2,696,907
Rate of recordable work-related injuries (TRIFR)	5.39	5.99
New occupational illness cases	3	3
Safety interactions (operational mine sites only)	11,575	11,505
Number of First aid incidents	65	55
Number of Medically treated incidents	10	6
Number of Lost-time incidents(including Disabling and Restricted)	3	2

CRITICAL RISK MANAGEMENT

In the reporting year we focused on the standardisation of the Group's risk management process and the New Hope Corporation Risk Matrix was adopted across the group. In the first year of the project, priority elements such as reviewing the Group Risk Management Framework, Event Reporting and Legal and Compliance Obligations have been targeted.

9 In this year's report we have included whole of Group operations, rather than just mining operations, which has meant TRIFR figures are higher than those shown in previous reports.

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HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM

In the reporting year we implemented a group-wide standardised Safety, Health and Management System (SHMS), aligned to ISO Standards for Health and Safety Management Systems and the Environmental Management Systems (including Risk). The SHMS is aimed at mitigating avoidable health and safety incidents.

New Hope is focused on reporting, investigation and analysis of incidents by undertaking a weekly review and distribution of incidents. The Lessons Learned Forum provides sharing of key internal and external incidents, identifying root causes/s and improvement opportunities across the Group. The Lessons Learned Forum is also used as a conduit to share good news stories within the Company that have benefits across the wider group. Also in the reporting year, our sites' SHMS went through internal and external audit processes. The results of this will help to drive further improvements throughout the next reporting year.

COVID-19

The COVID-19 pandemic continued to present some operational challenges to New Hope throughout the reporting year.

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.

These included infection control training; PPE and sanitiser supplies; increased cleaning and disinfection of vehicles and equipment; physical distancing in gathering points on site; and reducing external visits and travel between sites. At Bengalla, temperature testing was carried out upon entry to site and COVID bubbles were created to restrict movement of personnel between work groups.

There were disruptions to planned training programmes because of COVID, with some programmes being postponed, and others moving to a virtual learning environment.

During the reporting year there were no cases of COVID-19 at any of our sites.

MENTAL HEALTH AND WELLBEING

We are focused on promoting wellbeing of all our employees. This means looking after their physical, mental, emotional, financial, and social health.

In the reporting year, a key priority of our Employee Assistance Program was the continued support for all employees during an organisational restructuring program. Through this program, New Hope provides mental health training and on site and off site counselling. All employees have access to the Employee Assistance Program, and these services are easily accessible by a phone call.

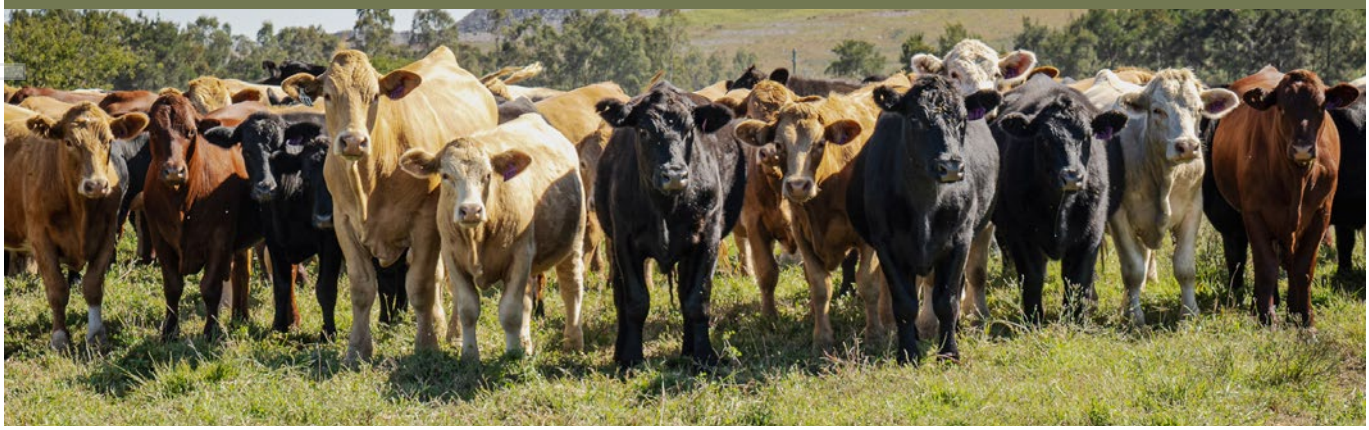
CASE STUDY: NEW HOPE GROUP AGRICULTURAL BUSINESS

In the reporting year New Hope's agriculture operations continued to implement a body of work to update and improve the safety and health management system with an aim of:

- Controlling Health and Safety related risks
- Meeting compliance obligations
- Seeking to embark on a continuous improvement cycle

Activities undertaken included the review of the Broad Brush Risk Assessment (BBRA), review of procedures and training packages, refreshed induction and retraining of agricultural personnel. The business has also completed a third-party audit and is working through the identified improvement opportunities. Other improvements include implementing a workplace inspection process and improving facilities at Bengalla Agricultural Company with a new office space and a dedicated chemical storage and workshop area.

AGRICULTURAL BUSINESS HEALTH AND SAFETY MANAGEMENT SYSTEM MODEL



We also conduct regular employee medical checks to identify health risks and provide appropriate assistance to ensure the wellbeing of our employees.

New Hope has a decentralised model for Wellness, with sites targeting what is important to them and their people. These Wellness Programs specifically target beyond occupational exposures. These Wellness Programs have been particularly important as New Hope supports its employees through the COVID-19 pandemic and the Group restructuring. We have conducted targeted education forums in line with Work Safe Month as well as supporting campaigns such as R U Okay.

At New Acland a habit-based program called "Sum Sanos" was implemented with an aim 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 personal health.

COMMUNITY ENGAGEMENT

New Hope recognises that our operations have a social impact on communities and that we are responsible and accountable for monitoring and managing those impacts.

We aim to be an integral and accepted part of the communities in which we operate. To achieve this, we engage directly and proactively with stakeholders, invest in our local communities, and develop genuine partnerships. In the reporting year this has been a key priority for New Hope, particularly as New Acland transitions into care and maintenance.

ONGOING COMMUNITY ENGAGEMENT

As part of our ongoing commitment to engage with our local communities, we undertake regular community consultation activities at both Bengalla and New Acland.

BENGALLA

Since the commencement of the mine, Bengalla has worked to build enduring relationships founded on mutual respect and long-term commitments and continues to be an active member of the local community.

Westpac Rescue Helicopter Service Golf Day fundraiser

Mangoola Rural Fire Brigade

Scone Basketball

Muswellbrook PCYC

Easter Family Fun Day hosted by Muswellbrook Shire Council

UHMD school Mines Tours

Scone Charity Rodeo

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Four Community Consultative Committee meetings were held over the reporting year. At these meetings, local community stakeholders, representatives of government departments, and mine site staff discussed environmental management, mine development and performance, and community partnerships.

NEW ACLAND

At New Acland, mine staff host Community Updates every 6 months to provide community groups and neighbouring landholders with information relating to current and future operations at the New Acland Mine. These meetings provide an opportunity for community members and landholders to ask questions, raise concerns and provide feedback.

These community updates are in addition to New Acland's meetings with the New Acland Community Reference Group (CRG) held throughout the year. The CRG's role is to provide local insight on key topics, particularly in relation to potential opportunities and impacts presented by the New Acland operation. It is also another avenue for sharing information with the broader community in addition to the New Acland Community newsletters and other initiatives. The CRG will continue to operate as an advisory body and outcomes will inform New Hope's planning and decision-making during New Acland's upcoming care and maintenance phase.

COMMUNITY INVESTMENT

New Hope's mines have a history of supporting community projects through donations, sponsorships, and in-kind contributions.

We have continued to engage and collaborate with our local communities despite a period of consolidation in our business and an uncertain and disrupted year for many of our not-for-profit partners.

BENGALLA

During the reporting year Bengalla contributed a total of $1,124,627 in sponsorships, donations scholarships and development contributions.

The Bengalla Community Support Team contributed $100,000 to support sectors such as sport, education, health, recreation, and agriculture. This included donations to 43 schools, charities, clubs, and not for profit organisations. Contributions were made to Scone Basketball, Brook Cricket Club, Kayuga Rural Fire Brigade, Muswellbrook Touch Football and Netball Clubs, Aberdeen junior rugby league, Denman Pony Club, Muswellbrook Polocrosse, Denman Little Athletics and Scone Triathlon Club.

Through the Community Development Fund Bengalla contributed a total of $70,000 to two local organisations: the Polly Farmer Foundation and Hunter Life Education. Bengalla's donation to the Polly Farmer Foundation's Follow the Dream Program is helping to support Indigenous students through education and their chosen career paths, while the contributions to Hunter Life Education are helping to deliver education on drug use to young people and empowering them to make safe and healthy choices.

CASE STUDY: BENGALLA SCHOLARSHIPS SUPPORTING LOCAL STUDENTS DURING UNIVERSITY

Bengalla currently has four Engineering Scholarship recipients who are studying Mechanical or Electrical Engineering.

The students receive $8,500 each year towards their degree and attend site for 10 weeks of paid vacation work, where they are given projects by their department and then give a presentation at the end of their time to the Management Team. Bengalla has awarded 16 Engineering Scholarships since the program began in 2001.

Since the year 2000 Bengalla has separately awarded 114 Undergraduate Scholarships to local students who have been able to use the scholarship to study any undergraduate degree. In the reporting year Bengalla awarded eight Undergraduate Scholarships of $5,000 each.

Scholarship recipients Kye Reynolds, Talesin Court-Kriesch and Alex Young.

Bengalla separately contributed $167,000 to longstanding community partners including the PCYC, Muswellbrook Race Club (Bengalla Cup Day), Upper Hunter Education Fund, Upper Hunter Show and Group 21 Rugby League. Bengalla has enduring relationships with these community partners, which in some cases have extended for more than 20 years.

Each year Bengalla also contributes to local development through its Voluntary Planning Agreement (VPA) with the Muswellbrook Shire Council. In the reporting year Bengalla contributed $713,627 towards local projects. Recently completed projects include the Olympic Park Masterplan and Carpark and the Tertiary Education centre.

Among other in-kind contributions, Bengalla apprentices offered their time and expertise to support community events such as the Upper Hunter Show and the Easter Family Fund Day, an annual event held by the Muswellbrook Council. Bengalla continued to sponsor the Muswellbrook Chamber of Business Awards with a representative from Bengalla acting as a judge.

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NEW ACLAND

With New Acland's Stage 3 project on hold and the mine about to move into a care and maintenance phase, the reporting year did not see the same level of direct community funding of previous years. However, the mine continued to support local community organisations through in-kind donations. Donations of household items were made to Protea Place Women's Support Centre Toowoomba, an organisation helping to provide a safe environment for women experiencing homelessness. Other donations included office furniture for the Oakey Scouts Group and a small site office for the Charlton Speedway Club.

Also at Acland, our pastoral company, APC, donated six 600kg hay bales to the Oakey show, which were distributed as prizes for local landholders entering the Prime Cattle Competition. APC also continued to partner with the Toowoomba Horse Riding for the Disabled Association (RDA). APC's donation of four large hay bales was used to help RDA feed its horses for a few months, allowing volunteers to focus on delivering safe and therapeutic horse-riding activities for people with disabilities.

TABLE 13: COMMUNITY INVESTMENT

INDICATORS	UNIT OF MEASURE	FY21 CONTRIBUTION
Sponsorships and partnerships[10]	$	337,000
Development contributions (VPA)		713,627
Scholarships		74,000

10 FY21 direct funding figures all relate to the Bengalla mine.

TABLE 14: COMMUNITY SUPPORT RECIPIENTS

INDICATOR	UNIT OF MEASURE	FY21 TOTAL
Total number of recipients (financial and in kind. All New Hope, including Bengalla)	#	78

CULTURAL HERITAGE AND INDIGENOUS ENGAGEMENT

New Hope has worked, and will continue to work, 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.

In the reporting year Bridgeport undertook cultural heritage clearance activities with traditional owners on Boonthamurra country.

Meanwhile Bengalla helped to support Indigenous students through education and their chosen career paths through its Community Development Fund's sponsorship of Polly Farmer Foundation. Bengalla was also a sponsor at the Upper Hunter NAIDOC week awards held on the 9th July 2021, sponsoring the Male and Female Junior Sportsperson of the Year Award.

Protea Place Donation

Long-time supporters of the Oakey Agricultural, Pastoral and Rodeo Society

Toowoomba Horse Riding for the Disabled Association

Charlton Speedway Donation

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AIR QUALITY AND 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 a range of management measures to effectively address and reduce potential noise, vibration and air quality impacts.

NOISE

Noise complaints for the Group increased from 15 to 22 during the reporting year. We will continue to monitor and resolve these complaints through proactive noise management measures and mitigation activities, conducted in conjunction with the property owner as appropriate. Overall noise management will continue to be undertaken through the respective site management plans and processes.

BENGALLA

Bengalla operates according to an approved Noise Management Plan (NMP). The NMP requires the mine to conduct compliance noise monitoring at three locations offsite and undertake real time noise monitoring to inform the operation. Many noise mitigation measures are in place including the enclosure of the Coal Handling Preparation Plant.

NEW ACLAND

At New Acland, the continued use of environmental noise compasses helps the site manage noise from the mine. Three noise compasses are operated 24 hours a day and are used in conjunction with meteorological stations to monitor and mitigate noise emissions in the surrounding area.

AIR QUALITY

In the reporting year we saw a 65% reduction in air quality complaints. This decrease can be attributed to reduced operations, proactive management through real time monitoring and site dust mitigation activities.

BENGALLA

Bengalla operates according to the approved Air Quality Management Plan. During the reporting year procedures remained in place for the management of odour, fume, dust and greenhouse gas emissions. Bengalla conducts compliance monitoring of air particulates and utilises real-time air quality monitors to measure dust levels to enable a proactive approach to the management of dust.

NEW ACLAND

At New Acland, the use of air quality monitoring stations is ongoing and in the reporting year no impacts were seen in surrounding areas. The following dust mitigation measures are still in place at New Acland:

- 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 time of exposure 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.

TABLE 15: TOTAL COMPLAINTS BY CATEGORY (ALL SITES)

COMPLAINTS	YEAR ENDING 31 JULY 2021	YEAR ENDING 31 JULY 2020	YEAR ENDING 31 JULY 2019
Total complaints received	79	79	81
Noise complaints	22	15	17
Air quality complaints	8	23	38
Blasting complaints (overpressure, vibration, fume)	42	25	16
Waste complaints	0	-	1
Visual complaints (light)	3	8	1
Other complaints	4	8	8

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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 similar or better state than before we commenced operations.

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REHABILITATION AND BIODIVERSITY

REHABILITATION

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 restored as mining is completed. This approach aligns with industry standards and our 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 the reporting year, we continued our focus on rehabilitation with a further 113 hectares of disturbed land across our sites rehabilitated.

NEW ACLAND

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.

APC is also planning a trial to quantify the impacts of integrating strategically placed strips of native plants into their cultivation paddocks. The trial will initially measure changes in soil nutrients within the strips, with longer-term biodiversity improvements to be measured over future years.

In the reporting year 55 additional hectares of land were rehabilitated around the New Acland mine.

BENGALLA

At Bengalla, rehabilitation installation and monitoring takes place consistent with the current Mining Operations Plan.

In the reporting year we completed 21 hectares of new rehabilitation bringing the cumulative total of land under active rehabilitation to 268 hectares.

Bengalla is undertaking a multi-year program to install high density woody vegetation over the majority of previously rehabilitated areas consistent with our development consent. During the reporting year 60.1 hectares of land was either direct seeded or planted with tube stocks.

NEW OAKLEIGH

In July 2021, we completed the Normanton pit rehabilitation at New Oakleigh following commencement of activities in 2019. The rehabilitation work included backfilling an historic void with material from a borrow area, as well as the construction of drainage channels and basins.

The remainder of the New Oakleigh site is largely rehabilitated. However, further improvement works are planned to ensure long term sustainability, consistent with licence conditions.

A photograph of the Normanton final landform is provided below.

BRIDGEPORT

As a result of restrictions posed by COVID-19, the planned water treatment technology at Bridgeport had to be delayed and is now planned to take place during the reporting year. As part of this, an area of evaporation ponds is proposed to be converted to fodder production.

Normanton final landform

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CASE STUDY: WEST MORETON REHABILITATION – EXTERNAL RESEARCH PARTNERSHIPS

New Hope partnered with The University of Queensland and Griffith University on a number of projects to support research into the science of mine rehabilitation.

The University of Queensland conducted research at our Jeebropilly site as part of an Australian Coal Industry Research Program (ACARP) project seeking to determine the resilience of the mine rehabilitation site to fires. The results indicated that the rehabilitated areas at Jeebropilly responded well to fire to reach control (unburnt) levels within 18 months of the fire, however further research is required to determine long term trends. The University of Queensland also assessed a site at New Oakleigh as part of another ACARP project seeking to understand the causes of pasture dieback within mine rehabilitation areas. Pleasingly, the dieback had recovered significantly and will not require further physical assessment as part of the ACARP research, however monitoring via remote sensing will continue to detect any longer term trends.

Griffith University conducted research across Chuwar, Jeebropilly and New Oakleigh in support of an honours thesis investigating patterns and drivers of soil biota in rehabilitating open-cut coal mines in south-east Queensland. The research indicated that, despite the common perception that rehabilitated mine sites need a long time to recover, some soil biotic populations recover relatively quickly and reach similar levels to undisturbed reference sites after only 5 years or earlier. Further research is proposed to provide more confidence in these initial findings.

TABLE 16: NEW HOPE REHABILITATION SUMMARY (FY21)

INDICATORS	UNIT OF MEASURE	GROUP TOTAL	NEW ACLAND	BENGALLA	WEST MORETON[11]	BRIDGEPORT	BURTON (LENTON JV)
Total Cumulative Land disturbed	ha	6,350	1,524	1,214	1,435	<200	1,977
Total Land rehabilitated during the reporting year	ha	113	55	21	37	0	0
Total Cumulative Land rehabilitated	ha	2,861	719	268	1,051	18	805

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

During the reporting year, Bengalla continued to implement the Biodiversity Offset Management Plan. This Offset Plan covers 6,215 hectares of land including broad areas of native forest and woodland that were purchased to offset ecological disturbance around the mine.

QBH

At our QBH facility, we have previously undertaken proactive work with the Bulimba Creek Catchment Coordinating Committee to improve biodiversity through planting vegetation on the southern perimeter and around the offices to extend the wildlife corridor with native plant species. These areas continue to be maintained to promote growth.

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.

EMPLOYMENT AND PROCUREMENT

PAYMENTS TO EMPLOYEES AND SUPPLIERS

One way our economic contribution can be measured through is through the salaries and other employment benefits we provide to our employees and the money spent on procuring goods and services from suppliers and contractors.

Due to cost saving measures, including redundancies and the suspension of management and staff bonuses, there was an overall fall in both wages and salaries and payments to suppliers in the reporting year when compared to the 2020 reporting year. However, the Group's activities continue to provide an economic contribution to the areas in which we operate, including regional areas where the majority of our employees are located.

TABLE 17: EMPLOYEE AND SUPPLIER PAYMENTS

INDICATORS	UNIT OF MEASURE	YEAR TO 31 JULY 2021
Wages and salaries (including on-costs)	$ million	164.5
Total payments to suppliers and contractors	$ million	606.40

11 West Moreton includes Jeebropilly, New Oakleigh and Chuwar.

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LOCAL EMPLOYMENT AND PROCUREMENT

We recognise the importance of supporting the economic development of the communities in which we operate.

As a non-FIFO (fly-in fly-out) employer, most of our employees and established contractors who work at Bengalla and New Acland live within driving distance of their workplace. This provides a direct economic benefit as salaries and wages are largely retained within the communities in which they are earned.

Working with local suppliers maximises the socio-economic benefits for our local communities. Our local procurement policies prioritise local spend where practical. We engage with prospective suppliers at community events and information sessions to build a sustainable value chain.

For the purposes of this report, "Local Suppliers" have been determined based on suppliers of goods or services with an address located within a postcode near our Bengalla and New Acland operations.

TABLE 18: SUPPLIERS BY GEOGRAPHICAL REGION

INDICATORS	YEAR TO 31 JULY 2021
Number of local suppliers	**690**
By region	
New South Wales	327
Queensland	363

TABLE 19: SPENDING ON LOCAL SUPPLIERS

INDICATORS	YEAR TO 31 JULY 2021 ($M)
Payments made to local suppliers	**297.6**
By region	
New South Wales	141.6
Queensland	156.0

TAXES AND ROYALTIES PAID

OUR APPROACH

Our approach to tax is aligned with our Code of Conduct and our long-term business strategy with the Group's tax affairs overseen by the New Hope Board.

New Hope:

- Recognises its responsibility to pay tax to all revenue authorities in line with our legal obligations within each jurisdiction we operate;
- Manage tax risk in the same manner as other operational risks within the Group and takes a conservative approach to risk and tax planning;
- Engages with revenue authorities in a transparent and cooperative manner; and
- Always seeks the advice of experts on any positions where the legislation is unclear or subject to interpretation.

TABLE 20: TAX CONTRIBUTIONS SUMMARY

PAYMENT TYPE	YEAR ENDING 31 JULY 2021 $000
Corporate Tax	24,619
Mining Royalties	60,615
Oil Royalties	1,346
Employee Taxes Withheld	36,081
Fringe Benefits Tax	1,712
Payroll Tax	5,930
Other taxes, rates and levies	7,785
Total Tax Contribution	138,088

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GOVERNANCE

GOVERNANCE OVERVIEW

The New Hope Board provides strategic guidance and oversight of management. The Board is ultimately responsible for, and has authority over, management of New Hope and its controlled entities.

The Board has delegated to the Chief Executive Officer the authority over the day to day management of New Hope, its subsidiaries and their respective operations.

More detail about New Hope's governance framework is provided in New Hope's Corporate Governance Statement which is published annually in accordance with ASX guidelines. The Corporate Governance Statement, together with the policies and codes referred to in this section, are available in the corporate governance section of New Hope's website: *https://newhopegroup.com.au/corporate-governance*.

ETHICAL BUSINESS CONDUCT

Underpinned by our Core Values, New Hope's Code of Conduct provides our directors, executives and employees with a compass to guide daily decisions and actions.

Training on the Code of Conduct is provided annually to all employees and relevant contractors. Appropriate and proportionate disciplinary action is taken against those who breach the Code of Conduct.

Ethical conduct when representing New Hope is further supported by our Anti-Bribery and Corruption Policy.

Anti-bribery and corruption training is undertaken by key roles in the business from Directors, Senior Management, Marketing, Procurement and Finance. This training is facilitated via online e-learning and highlights the New Hope policy position, the implications of committing bribery or participating in corrupt behaviours, and how an offence can be reported.

In the reporting year, there were no confirmed incidents of bribery or corruption involving the Group.

PRIVACY AND CYBER SECURITY

New Hope is committed to providing a safe and secure technology environment with information security and governance integrated into all business activities. We continue to review security practises across IT and OT systems to ensure we have measures in place to detect, respond and recover from potential attacks.

In the reporting year the National Institute of Standards and Technology (NIST) Framework was adopted, and an Information Security Committee formed to ensure ongoing focus on cyber security risks.

New Hope had no reportable data breaches in the reporting year.

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.

In the reporting year, we published our Modern Slavery Statement in accordance with the requirements of the Modern Slavery Act.

'SPEAK UP' WHISTLEBLOWER POLICY

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.

GLOSSARY

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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
Mt	Million tonnes
Mtce	Million tonnes of coal equivalent
NSW	New South Wales
NSWMC	New South Wales Minerals Council
QBH	Queensland Bulk Handling
QRC	Queensland Resources Council
RFS	Rural Fire Service
ROM	Run of mine
SDG	Sustainable Development Goals
SE	Southeast
SLP	Safety Leadership Program
TCFD	Taskforce on Climate-related Financial Disclosures
TRIFR	Total recordable injury frequency rate
VPA	Voluntary Planning Agreement
WGEA	Workplace Gender Equality Agency

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