



 **CENTENNIAL**

2022

SUSTAINABILITY REPORT

Report Boundary and Scope

The information in this report covers Centennial Coal Company Pty Limited (Centennial) and its subsidiaries for the period 1 January 2022 to 31 December 2022. The contents of this report have been informed by the Global Reporting Initiative (GRI) Standard and demonstrate the linkage between Centennial's environmental, social and governance performance, collectively termed sustainability, and the United Nations' Sustainable Development Goals.

Greenhouse and energy, waste, water, occupational health and safety data has been externally assured, with the additional inclusion of water to the assurance scope in 2022. Centennial is committed to further expansion of external assurance in the future.

Note: This report includes performance data from all of Centennial's business entities and joint ventures, on a 100% basis.

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Managing Director and CEO's message

Welcome to Centennial's 2022 Sustainability Report

Welcome to our 2022 Sustainability Report. I am pleased to share this report with you to highlight our continual commitment to Environmental Social Governance (ESG) principles and to outline our progress across the reporting period.

All our employees have a role to play as we strive to meet our ESG ambitions while maintaining a financially strong, future-focused business.

We continue to take strides in alignment with our parent company Banpu Public Company Limited (Banpu)'s Greener Smarter strategic agenda.

Banpu is a diversified energy company with three core business pillars: Energy Resources, Energy Generation and Energy Technology. Banpu's sustainability leadership has been recognised by international organisations, including the Dow Jones Sustainability Indices (DJSI). Centennial plays a key role in Banpu's Energy Resources pillar by striving to deliver value, diversity and decarbonisation.

To further align our vision, we are developing our ESG strategy in unison with Banpu's Greener Smarter transition.

We are committed to working towards decarbonisation and are accountable for reducing our greenhouse gas emissions to help minimise climate change. To that end, we have the commissioning of our 8-megawatt gas power station at Mandalong. The facility will use methane extracted from the coal seam to generate electricity in lieu of emitting it to atmosphere. This, together with key initiatives embedded in our decarbonisation roadmap, form a sound forward trajectory.

Despite our concerted efforts we had one significant environmental incident during 2022, relating to some subsidence surface cracking at Airly. The affected area will continue to be monitored in accordance with regulatory requirements. We recognise the continued efforts of our people and their enduring engagement to minimising the environmental footprint of our operations.

We are passionately committed to ensuring we prepare for and provide our employees a safe and healthy workplace. We want our employees to return home to their families in the same condition they arrived at work. A central focus for Centennial towards this goal has been the creation and rollout of our Fatal Risk Program.

We know there is more work to be done. We continue to listen to our people, live our values, maintain open and sincere communication with all stakeholders and be agile in change.

On behalf of the Centennial Board and our owner, Banpu, thank you to our employees, customers and all our stakeholders for your support and continual partnership as we further our commitment to sustainable progress.



Craig Gillard
Managing Director and CEO



Sustainability Highlights 2022



8.9 Mt
coal produced



\$363 m
spent with local suppliers



8-megawatt
Mandalong gas power station
commissioning



1,690
people employed



160 hours
employee hours volunteered



17%
of Airly's electricity generated
from onsite solar



11,000 hours
of training provided to
employees



8%
reduction in Total Recordable
Injury Frequency Rate (TRIFR)
from 2021



Who we are

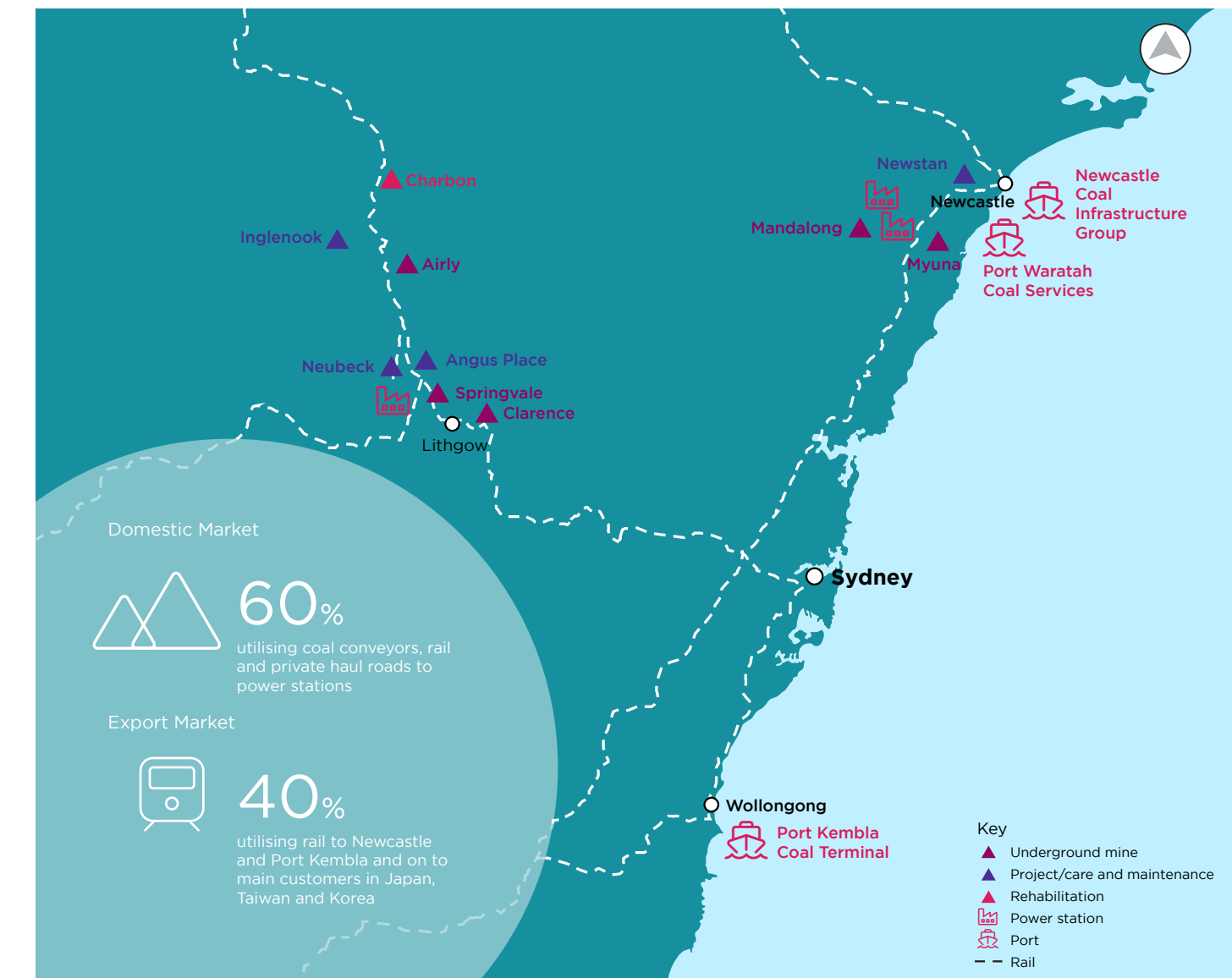
**We are an energy company
providing a significant
proportion of NSW's
coal-fired electricity.**

Centennial is an energy company based in New South Wales, Australia. Our vision is to be the Australian energy company at the heart of innovation, technology and sustainability. With the production of coal, we support local and regional communities through employment, procurement and community support. Centennial is a wholly owned subsidiary of Banpu Public Company Limited (Banpu), a leading integrated energy solutions company operating in nine countries.

Centennial has five operating coal mines in the Lower Hunter and Western Coalfields supplying essential domestic and export energy coal markets. Our exports are shipped to long-term customers in Japan, Taiwan and Korea. As part of the company's decarbonisation strategy, since 2020, we have operated a 2-megawatt solar facility at Airly, in our western region, along with another small installation in the Lake Macquarie region. Future solar installations are being evaluated to assist with the diversification and decarbonisation of our operations and to contribute to Banpu's vision as we move into the future.

Following our parent company, our business is commencing the process of evolving from one based solely on coal, to a diversified energy company with three pillars: Energy Resources, Energy Generation and Energy Technology.

We are here as an energy provider to keep the lights on in New South Wales and to provide the required energy for overseas markets. In doing so, we acknowledge that our operations can have impacts on both natural and built environments; therefore, we must meet legislative requirements, manage risk, and recognise and work with our stakeholders for common benefit.



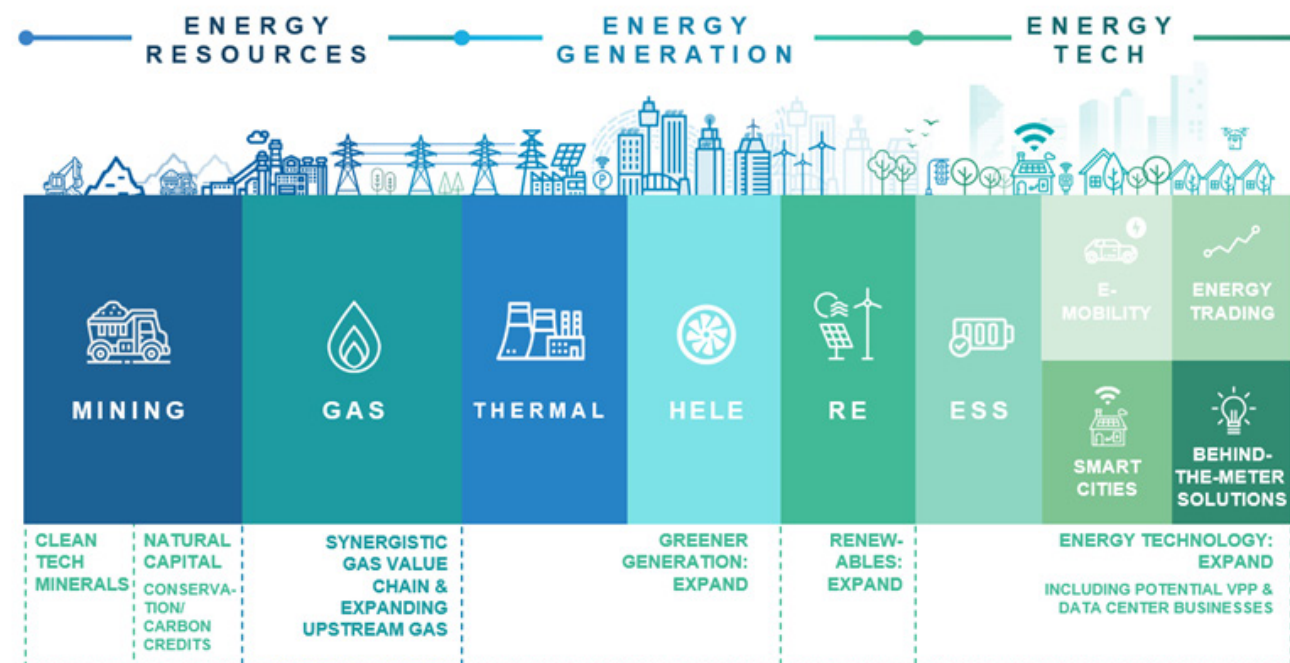
Our parent company

Based in Thailand, Banpu is a diversified versatile energy provider operating in nine countries with 40 years of experience. Its three core businesses are Energy Resources, Energy Generation and Energy Technology.

Banpu's vision is to be at the heart of innovation, technology and sustainability, and it is firmly committed to continual improvement and leadership in the collective pursuit of a Greener Smarter strategy. Its business management philosophy is committed to leading the company into a new era of energy and sustainability.

For more information on Banpu's activities, visit banpu.co.th.

Banpu's business



Our sustainability approach

Our Vision

The Australian energy company at the heart of innovation, technology and sustainability.

Our Strategy

Bring people along on our journey as we build a beyond-compliance mindset.

Our Values

- We will not compromise on safety*
- We will act ethically and with integrity*
- We strive for synergy through collaboration*
- We strive to improve our performance and encourage innovation*

We use Environmental Social Governance (ESG) criteria to assess Centennial's sustainability. Specific metrics in relation to governance and risk, human resources and human rights, environment, health and safety, and community — spanning our ESG criteria — indicate our performance. This is our sustainability strategy.



A sound system of corporate governance, led by the Board of Directors, incorporating risk management and innovation, which responds to dynamic business needs and societal expectations, is key for our business. ESG strategies are integrated into our operations.



We are committed to having responsible environmental management integrated into business objectives and contributing to improved environmental stewardship. We acknowledge that decarbonisation contributing to the reduction of greenhouse gas emissions remains a key issue and objective for our industry.



We continually seek to improve our processes and demonstrate leadership with respect to the health and safety of our people, and to the wider community. We strive to engage our communities as a key stakeholder of our operations to gain and maintain trust.

Material Issues

In 2022, our parent company, Banpu, with input from the Centennial Sustainability Steering Committee, conducted a materiality assessment to define key ESG issues for Centennial, starting from the revision of previous material topics, and overlaying global trends and peer industry material topics.

The assessment was aligned with the AccountAbility Principles Standard (AA1000APS) and informed by local environmental, social and governance aspects. The result of this matrix was a revised list of material topics for our energy business.



Governance

Material Topic

Sustainability governance

UN Sustainable Development Goals



Environment

GHG emissions



Water



Environmental compliance



Social

Occupational Health & Safety



Corporate culture



Community engagement



Stakeholder Engagement

Centennial appreciates that engaging with our stakeholders is key to maintaining our social license to operate.

Centennial places the utmost value on our corporate reputation and our social license to operate as we strive to be a good corporate citizen. Centennial recognises that effective consultation and engagement is a critical element of its operations and projects and underpins its social license to operate across social, community, commercial and regulatory spheres.

Effective consultation and engagement are inclusive of all stakeholders who have interest in, and are affected by, our operations. Our stakeholders include landholders; residents; local communities; Indigenous groups; non-government organisations; local, state, and federal governments; regulatory authorities; and our employees.

Centennial faces four key challenges in relation to its community and stakeholder engagement function:

1. We operate in a complex policy and project approval environment that balances the needs of securing coal supply with community expectations for increased use of renewables.
2. Balance expectations and influence in a regulated and highly contestable environment.
3. The need to conduct effective participation, incorporating varied perspectives of diverse community and stakeholder groups, while still building trust in our business.
4. Understanding and distilling complex program- and policy-related issues, given the need to develop common engagement and communication protocols, guidelines, tools and materials that satisfy the needs of Centennial, the community, and stakeholders.

We regularly engage with various stakeholder groups through differing methods to best meet their needs, seeking to educate our stakeholders and ourselves, and improve our dialogue and trust.

Aiming for inclusivity, we identify and categorise stakeholders by interest, influence and impact.

Stakeholder Group	Key Interests and Concerns	How we engage													
Employees	Health and safety, job security, working conditions, benefits and personal development opportunities, business model.	•	•	•	•										
Adjacent residences	Potential environmental and social impacts from exploration and operations, community engagement.			•		•	•	•	•	•					
Nearby town centres	Potential environmental and social impacts from exploration and operations, community engagement.				•		•	•							
Local Government	Environmental and social performance and compliance, employment and economic impact.			•	•					•					
Government representatives	Environmental, social and fiscal performance and compliance, employment and economic impacts.	•								•					
State regulatory agencies	Operational, environmental and social performance and compliance.	•													
Aboriginal groups/traditional owners	Potential environmental and social impacts associated with operations, cultural and heritage impacts.	•	•	•						•	•				
Centennial Corporate	Health and safety of employees, environmental, social and governance performance and financial stability.	•			•										•
Suppliers/contractors	New business opportunities, maintaining and servicing contracts.	•													
Customers	Product quality, cost and reliability of supply.	•			•					•					
Unions	Employment, health and safety and rights of members.	•	•	•											
Training provider	Recruitment, developing and maintaining partnerships.	•		•											
Financial institutions	Financial returns, management of financial and non-financial risks, corporate governance.	•													
Non-government organisations (NGOs)	Environmental and social performance of both current operations and proposed operations, efficient use of resources.	•	•	•									•		
Neighbouring industry	Business alliance.			•	•										
Media	Environmental, health and safety and social performance of both current and proposed operations.	•		•											•

Toolbox talks
Meetings/Briefings/Updates/Reviews
Newsletters
Intranet/Centennial website
Personal visits
Community Consultative Committee
Community Information Sessions
Dedicated contact email and number/
Response to customer queries
Briefings/meetings with Mayor,
Councilors and Council Officers
Separate process as per
regulatory guidelines
Site inspections
Issues monitoring
Targeted media releases
Environment, Social and Governance
information

Creating Value

We are guided by our core purpose of championing innovation, technology and sustainability. We operate coal assets and create value, which is distributed to our people, governments, industry and communities.

We partner with and support local organisations, activities and events.

Our contribution to local and regional economies is significant, sustaining jobs and providing royalties that help build key infrastructure, such as hospitals, schools and roads.



Governance

Centennial believes that effective corporate governance is foundational to improving environmental and social outcomes.

Sustainability Governance

Responsibility for our sustainability strategy ultimately rests with the Board of Directors. The Board receives support and strategic advice from the Audit and Risk; the Health, Safety, Environment and Community (HSEC); and Remuneration Committees. The strategic direction set by the Board is implemented by the executive management team.

The Board comprises experienced Directors with the relevant qualifications, experience, knowledge, skills and expertise.

Board-endorsed policies cover all key business areas, including health and safety, environment and community, climate change, human resources, and procurement. These policies set the requirements for each area of sustainability and lead to the delivery of management systems comprising standards, plans and procedures.

Executive management meets weekly to ensure priority areas of the business (including Health, Safety, Environment, Risk and Compliance) receive regular oversight. Environmental and social performance is monitored by the HSEC Committee, Executive Management and, externally, by each mine site's Community Consultative Committee (CCC).

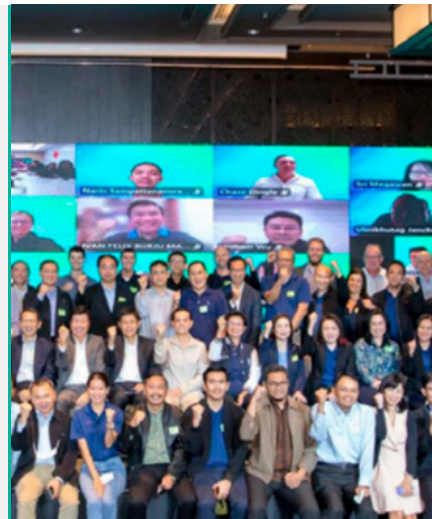
Mine sites are required to make a range of planning and environmental performance reports publicly available on Centennial's website. Our sustainability steering committee meets regularly, coordinating ESG strategy and priorities across Centennial.



Proportion of business units with risk management plan (for high priority ESG-related risks)

2022	Target 2022	Target 2025
100%	100%	100%

All of our high priority ESG-related risks have a risk management plan.



In 2022, Banpu held its annual ESG summit, both in-person and virtually. The summit's theme was ESG Regulatory: Pathway to Practice.

Sustainability committee members and senior business executives from across the Banpu group were welcomed to discuss key ESG issues, strategy and management, while building awareness of emerging ESG risks among all employees.

Centennial presented our action plan and renewed ESG strategy to address evolving emissions legislation. A keynote speaker from S&P Global was invited to share knowledge on the Task Force on Nature-related Financial Disclosures (TNFD).

Challenge and Opportunity

To be sustainable into the future, we assess the challenges and opportunities of our energy resources business in a transitioning domestic and global energy market, while maximising opportunities for energy generation through renewable sources and assets.

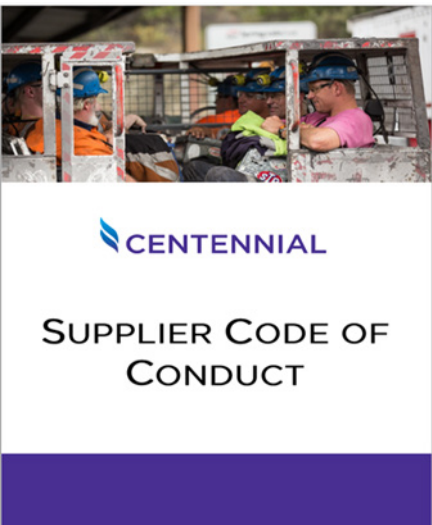
Challenge and Opportunity	Centennial's Strategy
<ul style="list-style-type: none">Volatility of export coal prices.	<ul style="list-style-type: none">Maintain a balanced sales portfolio between domestic and export markets.
<ul style="list-style-type: none">Demand for high-quality Australian black coal remains strong throughout Asia.	<ul style="list-style-type: none">Being a trusted and reliable supplier of energy.
<ul style="list-style-type: none">Methane production during operations.	<ul style="list-style-type: none">Decarbonisation of operations through methane gas management.
<ul style="list-style-type: none">Australian Government is supportive of low emission technology.	<ul style="list-style-type: none">Exploring opportunites to decarbonise operations through repurposing assets for renewable power generation.
<ul style="list-style-type: none">Clear strategy of NSW and Australian Government to achieve net zero greenhouse gas emissions by 2050 in line with the Paris Agreement.	<ul style="list-style-type: none">Waste gas to energy system (Mandalong Mine Power Station) commissioning in 2023.
<ul style="list-style-type: none">The NSW Electricity Infrastructure Roadmap provides a framework to deliver a modern electricity system, including the development of renewable energy zones.	<ul style="list-style-type: none">Energy management (efficiency, demand response).
<ul style="list-style-type: none">The National Electricity Market (NEM) is being modernised and reformed to meet the changing energy market (changes in electricity generation; emerging technologies, such as batteries; and shifting consumer preferences).	<ul style="list-style-type: none">Introduction and use of advanced analytics platforms and digital technology.
<ul style="list-style-type: none">The International Energy Agency (IEA) global analysis of energy use and forward-looking scenarios for a transition to a new energy economy.	<ul style="list-style-type: none">Contribute to research, development and application of low emissions technology.

Responsible Supply Chain

We believe in ethical business practices and transparency in all we do. We are committed to improving our processes with respect to responsible supply chain practices and human rights.

Centennial has a role to play in addressing the risk of modern slavery occurring within our company and our supply chain. We are taking practical steps to address this universal issue within our sphere of influence. Our responsibility with respect to human rights is underpinned by our employee Code of Conduct and Ethics and our Supplier Code of Conduct.

Activities undertaken are outlined in our third Modern Slavery Statement, in accordance with the **Modern Slavery Act 2018 (Cth)**. The statement is available on the Modern Slavery Statements Register and on our website.



ESG alignment strategy

In 2022, we commenced our ESG alignment strategy to identify areas to align better with our parent company on its sustainability journey. The initial phase of this involved conducting an evaluation of our current ESG strategy and a workshop with Centennial executives to identify Centennial's strategic priorities to address emerging ESG risks. Further development in this space will occur in 2023.



Environment

We are committed to responsible environmental management contributing to improved environmental outcomes. Climate change remains our highest environmental priority, with working towards decarbonisation of our operations a key driver for the sustainability of our business.

Greenhouse gas emissions

Climate change remains the most significant issue facing our industry and arguably one of the most pressing societal issues globally.

We acknowledge that the production and consumption of coal contributes to climate change through the generation of greenhouse gas emissions, and we aim to navigate this reality, minimising our contribution through avoidance, mitigation, adaptation and being part of a low carbon society.

GHG emissions reduction intensity*		
	2022	Target 2022
		Target 2025
	+28%	-4%
		-10%
GHG emissions intensity (CO ₂ -e/tonne saleable coal)*		
	2022	Target 2022
		Target 2025
	0.222	≤0.189
		≤0.181

* against business as usual (BAU).

As part of our sustainability strategy, we have yearly greenhouse gas (GHG) emissions targets, which are based on the amount of saleable coal produced.

In 2022, GHG emissions intensity increased 28% at 0.222 CO₂-e/saleable tonne of coal from a 2020 baseline. This is a result of decreased production during the year across operations and a decrease in the amount of gas (methane) combusted. Ongoing decarbonisation investigations form part of our strategy as we aim for a downward trajectory in emissions intensity.

Centennial will continue to appraise and deploy greenhouse gas abatement opportunities, with particular focus on methane gas management from operations and utilisation of land assets for renewable power generation. Focus in these areas will assist us to improve our emissions intensity.

Our management approach is to seek opportunities to decarbonise our operations through avoidance, mitigation, adaptation and being part of a low carbon society, contributing to a low carbon future.

Mandalong 8-megawatt gas power station

Centennial's contracted developer continued construction of an 8-megawatt gas power station in 2022, with operations commencing in 2023. This facility will use methane extracted from the coal seam to generate energy. In turn, this will reduce our greenhouse gas emissions, through a reduced requirement for grid electricity.

Climate-related risks and opportunities

Identifying and assessing climate-related risks is embedded in our enterprise-wide risk management framework, with risks prioritised according to magnitude and likelihood. Our most significant risks are reviewed annually, together with emerging issues.

Centennial has worked with our parent company, Banpu, to assess climate risks and opportunities using the Task Force on Climate-related Financial Disclosures (TCFD) voluntary framework, separating climate risks into two categories: transition and physical.

A scenario analysis for the financial impact on business as usual was conducted, which will inform strategy and future target setting. In 2022, Banpu published its first Climate Change report, which was guided by the TCFD recommendations. The report discloses key risks that apply to Banpu's business units, with policy and legal changes being the highest risk to Centennial both short-term and longer term.

Risk type	
Transition Risk	<ul style="list-style-type: none">• Policy and legal• Technology• Market• Reputation
Physical Risk	<ul style="list-style-type: none">• Increased severity of extreme weather (acute)• Change of precipitation patters (chronic)



Challenges and key progress

As an energy producer we are committed to reducing our climate-related greenhouse gas emissions and emissions intensity, focusing on key areas where we can contribute to a downward emissions trajectory.

Focus Area	Measure	Key Progress
Avoidance	<ul style="list-style-type: none">• Solar renewable energy for onsite use (or grid use).• Point source control of ventilation air methane.	<ul style="list-style-type: none">• A 2-megawatt solar farm at Airly and a small solar installation at Awaba have been operational since 2020.• The Digital Capability Centre supports all sites to implement energy management initiatives to assist with decarbonisation.
Mitigation	Reduce emissions by pre-mining drainage, and capture and utilisation of methane waste gas for energy production.	Four 2-megawatt gas engines have been constructed at Mandalong, with operations commencing in 2023. These gas engines will utilise waste gas to generate energy.
Adaptation	Monitoring risk, opportunities and implications of climate change.	We assessed the risks from climate change in 2022. Outcomes confirmed that decarbonising our operations is the highest moderate-to-long-term risk to our business.
Being part of a low carbon society	<ul style="list-style-type: none">• Seeking to increase renewable or low carbon energy.• Decarbonisation of operations through further gas (methane) management.• Supporting research and development initiatives of greenhouse gas emission technologies.	A 2-megawatt solar facility at Airly and a small solar installation at Awaba have been operational since 2020.
Participation in a climate change community	Being a member of voluntary climate change reporting frameworks.	First Climate Change report published (as part of Banpu) in accordance with TCFD recommendations.



Emissions performance

Given worldwide social concerns around global warming, reducing greenhouse gas emissions is a critical commitment of our business and remains one of our highest priorities. Our main source of direct, or Scope 1, greenhouse gas emissions is low concentration methane exhausted through our underground mine ventilation fans. Other sources of emissions are direct from fuel consumption and indirect, or Scope 2 emissions, from electricity use.

We annually report our emissions and energy production and consumption to the Australian Government's Clean Energy Regulator (CER) on an Australian financial year basis, under the requirements of the National Greenhouse and Energy Reporting Scheme (NGER). Annual reporting is available on the CER website.

For the 2022 period our total Scope 1 and Scope 2 emissions increased by 6% on the previous year. This was primarily due to an increase in fugitive methane emissions (CH4) at Mandalong mine.

Decarbonisation workshop

In 2022, a decarbonisation workshop was delivered to key site operational teams and senior management. The workshop aimed to build general awareness around decarbonisation, as well as reviewing the challenges, opportunities and emissions profiles of regional assets. The review identified a combination of opportunities offering both site specific benefits and the overall inherent value that exists in both our operational sites and idle assets. Some options provided a transitional pathway to green energy options for the future, alongside opening potential new business and revenue streams.

	FY18	FY19	FY20	FY21	FY22
<i>Scope 1 and 2 greenhouse gas emissions</i> (Tonnes of CO ₂ -e)	3,011,562	2,217,751	2,057,839	1,960,563	2,073,436
<i>Emissions intensity</i> (CO ₂ -e/saleable t)	0.23	0.22	0.17	0.21	0.23
<i>ROM</i> (million tonnes)	13.8	10.7	12.7	9.7	9.6
<i>Saleable</i> (million tonnes)	13.3	10.0	12.2	9.5	9.2
<i>Energy use Total¹</i> (MJ)	3,540	3,124	3,079	2,485	2,117
<i>Energy intensity</i> (GJ/t of saleable coal)	0.26	0.29	0.25	0.26	0.24

¹ Energy use from waste gas flared and vented from gas drainage plant reported from 2018 onwards



Water

Responsibly managing water is key to reducing our impact on the environment and communities where we operate. We respect water as a high value shared resource and aim to reduce our operational water use and protect water resources, ensuring long-term benefits for our communities.

Water consumption intensity (m³/tonne saleable coal)

2022	Target 2022
0.421	≤0.089

We did not achieve our water consumption intensity target in 2022. After facilitating an independent data assurance audit, we identified improvements that would improve the accuracy of our data to better inform site water management. In 2023, we will be updating our site water balance models to improve data accuracy. Updated modelling will be guided by the Minerals Council of Australia Water Accounting Framework. Alongside climate change, water scarcity is another defining global environmental issue. We aim to reduce our water footprint and improve our water consumption intensity.

Water use and management

Over recent years there has been a shift in thinking of water as a resource managed at a mine-site level, to employing a catchment-based approach to water management; actively engaging and considering the needs and priorities of other users. Water has two main roles in our business: we import potable water from town supplies; and we export water from our mines to the environment (under strict conditions), to service our coal handling needs, or to provide as an input to bolster town water supply systems. There is an additional water use at our Airly mine site, where town water is not available, and that site must be self-sufficient in its water management system.

Where possible, we use in-seam mine water for operational needs, reducing our dependence on municipal water supplies. We aim to minimise water use and maximise recycling where we can. Most of the water recycling is through our coal handling and preparation plants, where mine water is used for coal washing.

Limited water resources and security of water supply for our operations is currently not a material issue for our business, except for Airly. However, with the increased potential for climate change induced drought in some areas, ongoing water security will be an issue for business continuity into the future. As such, Centennial conducted a water risk assessment, according to the Aqueduct Water Risk Atlas of World Resources Institute, to determine whether operational and potential project sites are in future predicted water-stressed areas. The outcomes of this assessment determined three operations are in future water-stressed areas, increasing the materiality of this environmental issue for those sites into the future.

Water is discharged through licenced discharge points. Some of these are located near sensitive natural environments and areas close to population centres. Discharged water is monitored, managed appropriately and removed from sites within regulatory limits. Centennial manages water through management plans. An annual high-level risk assessment is conducted at each site and outcomes prioritised into action plans.





Environmental Compliance

Centennial operates within strict regulatory environmental parameters so compliance with licences and approvals is always a focus for our business. Compliance is a fundamental foundation for our sustainability. We are committed to eliminating material environmental events and strive to minimise environmental impact.

Number of significant environmental incidents	
2022	Target 2022
1	0
Number of significant environmental fines from non-compliance	
2022	Target 2022
0	0

All our sites are subject to Environment Protection Licences issued by the Environment Protection Authority (EPA) and conditions of consent from the Department of Planning and Environment (DPE).

Unfortunately, Centennial had one significant incident in 2022 related to subsidence induced surface cracking at Airly. Remediation works are planned to take place in 2023 to address the visual impact caused by cracking. These works will be monitored in accordance with strict management criteria.

Compliance with our internal and external requirements is checked through periodic audits. This allows us to identify areas and set targets for even greater improvement in environmental compliance outcomes from our activities.



Minimising Environmental Impacts

We recognise that our operations have the potential to impact on the environment and the communities where we operate and that we are accountable to our stakeholders. We are committed to responsible environmental management in all stages of mining, from project design through to final rehabilitation. We work to firstly avoid impacts where we can and minimise and offset any remaining impacts.



Our aim is to improve environmental performance through a clear understanding of our obligations, minimising our impacts and identifying areas for improvement, while maintaining community relationships.

Our approach to environmental management is set out in our Environment and Community Policy, supported by an environmental management system and standards. We have identified metrics to track progress and performance as part of our ESG targets.

Environmental approvals, assessments, management plans, reporting compliance and audits for our operations are available on our website.

Biodiversity and Land Use

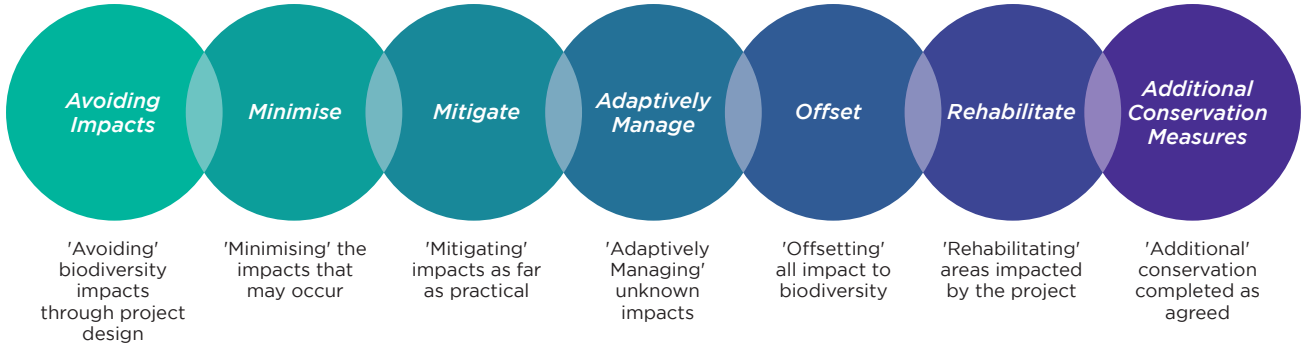
Centennial has significant landholdings, the majority of which are not impacted by our mining operations. Much of this land is of high ecological value and Centennial carries out management for the maintenance or improvement of ecological value, and, where feasible, seeks beneficial co-existence of agricultural grazing activities with biodiversity conservation.

Proportion of business units assessed for potential biodiversity impact	
2022	Target 2022
100%	100%
Proportion of business units assessed for potential biodiversity value	
2022	Target 2022
100%	100%

All the land owned by our business units has been assessed for potential biodiversity impact and biodiversity value.

We follow a holistic approach to biodiversity, overseeing all actual and potential negative and positive impacts under Regional Biodiversity Management Plans. These plans meet the relevant regulatory requirement for each operation. A site-specific plan identifies baseline ecological values, land management actions to improve biodiversity and an ecological monitoring program.

As part of a project approval process, Centennial identifies, assesses and enters biodiversity offset agreements for the protection of significant flora, fauna and ecological values on land it owns.



Before mining begins, Centennial works with regulators to determine and develop a rehabilitation goal. This rehabilitation goal subsequently becomes part of the Rehabilitation Management Plan (RMP). A rehabilitation plan has objectives that are agreed upon by the community and government, and lays out the post-mining use of the land, once this temporary land use has ceased.

Centennial aims for progressive rehabilitation of disturbed areas. We aim to practise responsible land stewardship and incrementally undertake progressive rehabilitation as areas become available, focused on completion criteria.



In 2022, 25 hectares of land were rehabilitated, the majority at Western Coal Services.



Clarence rehabilitation trials

Rehabilitation trials started at Clarence colliery to inform the rehabilitation of some reject emplacement areas. Trial treatments commenced in October 2019 and ecological monitoring is reported on annually to track progress. Trial treatments use varying growth mediums, erosion control measures and planting methods. Quarterly aerial LiDAR surveys are conducted to visually monitor the status of ground cover vegetation and landform changes. The third monitoring survey conducted at the end of 2022 identified that there were no corrective actions at most of the sites. This is a positive outcome as it identifies the trial rehabilitation areas have been well established and is progressing on a positive trajectory.

Waste

Our constant challenge is to reduce the quantity of our waste streams, improving the amount of waste recycled and reducing hazardous waste generated.

Hazardous waste directed to disposal intensity (kg/saleable tonne)	
2022	Target 2022
0.005	≤0.003
Non-hazardous waste directed to disposal intensity (kg/saleable tonne)	
2022	Target 2022
0.523	≤0.215
Number of significant tailings spills	
2022	Target 2022
0	0

In 2022, waste directed to disposal intensities was 0.005 and 0.523 kilograms/saleable tonne, respectively, for hazardous and non-hazardous waste, which exceeds targets. There were no tailings incidents. During the year, we focused on improved data capture and monitoring systems, providing a future opportunity for improvement, whereby we aim to minimise hazardous and non-hazardous waste disposal.

Our management approach is to maximise the value of the resources we use and to have one total waste management provider that also sorts waste streams for recovery and recycling. Ongoing effort to reduce our non-hazardous waste to disposal is required. We generate recyclable waste, such as fuel and oil, scrap metal and non-recyclable general waste; maintaining a register of waste collected by licenced contractors for transport to licenced facilities. A maintained verifiable set of data and targets is important in improving our waste management.

Tailings

More commonly called rejects within Centennial, we have both coarse and fine rejects that are emplaced into either walls (coarse) or dams (fine) in Reject Emplacement Areas (REA).

Over the past few years, Centennial has implemented an REA Oversight Committee that has carriage of an REA Standard and the management of an audit process. All REAs are designed by independent experts and are periodically inspected, with reporting to the CEO through the REA Oversight Committee. The REA standard takes a total lifecycle approach for the design and management of each facility.

Each of our sites conducts an annual site risk assessment, in line with a risk management standard. Higher risk dams are also subject to regular internal and external design, construction and operating audits, as well as facility specific risk assessments.

We have dedicated resources to review our rehabilitation and mine closure requirements, developing strategy and policy for rehabilitation and reviewing our liabilities and opportunities to reduce them.

Mine Subsidence

We meticulously plan our operations to avoid or minimise subsidence impacts from our underground operations to maintain ecological and social values, operating within strict regulatory parameters.

Progress of subsidence management activities against plan	
2022	Target 2022
100%	≥90%

We achieved 100% of subsidence management activities during the year, exceeding the target of 90%. We aim for continual management in this area.

We undertake conservative mine designs to achieve subsidence performance criteria and apply adaptive management to limit subsidence.

We maintain a diligent monitoring network at all our operations, in accordance with our management plans, to indicate areas of potential risk of mine subsidence. Additional subsidence monitoring, where required, is undertaken to provide an appropriate early warning for potential exceedance of subsidence thresholds.

Additional monitoring was undertaken at Airly mine, due to increased subsidence and promontory surface cracking evident. The affected areas will continue to be monitored in accordance with regulatory requirements.



Social

Keeping our people safe, having a positive workplace culture, and establishing ongoing engagement in our communities are fundamental to our sustainability and our success.



Governance



Environment



Social



8 DECENT WORK AND ECONOMIC GROWTH

Health and Safety

We are committed to prioritising the health and safety of our employees. We aim to cultivate a workplace culture where we all take ownership of our safety, as well as the safety of our workmates. We are reminded that Your Safety is My Safety so we can arrive home safely to our families.

Number of fatalities

2022

0

Total Recordable Injury Frequency Rate — employees (person per million hours worked)

2022

Target 2022

48.52

≤50.76

Total Recordable Injury Frequency Rate — contractors (person per million hours worked)

2022

Target 2022

18.33

≤18.44

In 2022 we achieved our Total Recordable Injury Frequency Rate (TRIFR) targets for both employees and contractors (48.52 and 18.33 person/million hours worked, respectively). There were no fatalities.

We are uncompromising in our commitment to health and safety, and zero harm for our people. This requires the constant commitment of every person in every part of our organisation. To achieve our vision, our management approach is to continually seek to identify opportunities arising through engagement, innovation, personal development and risk-reduction activities.

Our safety improvement programs are developed in the short-to-medium term based on current industry practice, research, performance evaluation and incident learnings. We require individual accountability, expect all employees in the business to adhere to our operational standards and actively participate in and support the advancement of our health and safety practices and safety culture. Safety is the responsibility of all employees.

From executives to the workforce, we all share a responsibility to ourselves, our fellow workers, our families and communities. We have well developed, fully integrated systems to support our people in their daily work.

Our safety performance is improving, driven by the Strategic Safety Improvement Plan (SSIP). The SSIP, which commenced with a Safety Maturity Assessment (2018–19), dovetailing into a Corporate Strategic Safety Plan (2020), has resulted in site-specific safety improvement actions and rigorous reviews by management. The outcomes of these reviews in 2021 have been implemented by our organisation. Key examples include reviewing whether safety functions are effectively integrated into operational and management roles, identification of the need for a persons-at-risk program and audits of strategic safety plans.

Following on from the SSIP, a Strategic Safety Plan for 2022, developed from analysis of recent injury and incident data, was substantially completed during the year.

The mining environment is inherently hazardous, and it is incumbent on us to provide a safe place of work and safe systems of work. While workplace health and safety (WHS) performance indicators have improved significantly during the past decade, there remains the need to redefine what we do from a WHS perspective and how we do it to continue to improve performance and safety culture across our business. We will continue to amplify our efforts to strengthen our performance and seek zero harm on our people.

Safety as a value driven metric within Centennial has continued to be an area of focus for the Executive Management team. Safety culture within the business continues to be continuously reinforced in all actions and engagements across Centennial.

During the year, significant achievements have been made, where individual mines (Clarence and Myuna) have recorded the lowest incident rates in the mine's history.

This year's LTIFR incident rates (for employees and contractors combined) are slightly above those of 2021, and a life-changing spinal injury incident at Mandalong, continues to remind us of the importance of ensuring that our fatal hazards are always under control.

In 2022, Centennial commenced building a safety program aimed at identifying and managing fatal risk exposure. Our top 10 Fatal Risks were determined at an interactive senior leaders workshop in in late 2022.

The Fatal Risk Program builds in 2023 through risk management workshops, developing a reporting decision tool, masterclasses for 500-plus Centennial employees and contractors, and creating reporting dashboards.

Safety culture maturity model assessment

Fifty-one workshops were conducted during July and August 2022, involving 727 Centennial employees and contractors. This represents 42% of the Centennial workforce. Participants were asked to provide insights into the current state of safety culture across the business.

The results of the assessments were compared to the results of the 2018 assessments and indicate little significant progress in the broader assessment (company-wide), however, there was some notable improvement of safety culture at specific sites.

The report recommends efforts be made to enhance elements of learning organisation, safety communication, and health and safety resources. These programs will be structured into the 2023 action plan.

New safety logo

The new company safety logo, titled Your Safety is My Safety, took shape during 2022.

In developing the new logo, several focus group sessions were held, engaging employees to determine what safety meant to them. The statement was designed to be relatable to those employees at the coalface.

**YOUR SAFETY
IS MY SAFETY
EVERY TASK, EVERY TIME**

LTIFR (Lost Time Injury Frequency Rate) and TRIFR for last 5 years (employees and contractors):

	FY18	FY19	FY20	FY21	FY22
TRIFR	50.9	49.18	55.43	44.79	41.01
LTIFR	6.92	8.24	9.42	5.20	6.84



Workplace Culture

Our people are at the heart of both our achievements and challenges and are critical to our sustainability and success. We are committed to providing an inclusive workplace where our people feel valued and supported.



During 2022, Centennial met our objective of implementing succession plans and individual employee development plans for all high-critical positions within the organisation.

Our management approach incorporates formal and informal processes to ensure we directly engage with our people in an open, transparent and honest manner. This is guided by a suite of human resource policies, including our Employee Code of Conduct & Ethics, Harassment and Bullying Policy, and Whistleblower Policy.

These policies are part of our governance framework, and act as protection mechanisms for our people. The Code of Conduct and all policies are regularly reviewed to ensure they reflect an evolving workplace and societal expectations.

Throughout 2022, a new Microsoft SharePoint rich text landing page called The Stockpile was developed for launching in 2023.

How we engage with our people



meetings and company presentations



team meetings



rich text landing page



site toolbox talks



newsletters



performance reviews

A strong corporate culture is key to strengthening employee engagement and increasing productivity. Our corporate culture model, titled Banpu Heart, seeks to leverage our diversity to create a happy and harmonious workplace; aiming to achieve effective operations. The implementation of Banpu Heart has improved value creation, competitiveness and created synergies to drive innovation for the organisation into the future.

We track our performance in workplace culture using the Banpu Heart survey, which measures employees' views toward the corporate culture across three key value areas: Passionate, Innovative and Committed. These values are supported by key behaviours to guide expectations and empower people. Our Banpu Heart Survey score increased from 72% in 2021 to 75% in 2022.

Retention and human capital development

Our people are critical to our success. We aim to attract and retain great talent to contribute to our business achievements. We do this through feedback on our Banpu Heart annual surveys, development pathways and leadership programs, and active recruitment.

Leadership and management training remain an area of focus. We partner with Hunter Valley Training Company (HVTC) to deliver a customised version of Certificate IV in Leadership Management to employees in the northern and western regions.


We strive for a stable workforce, attracting people to our industry to ensure sustained business success. However, our employee turnover rate was almost 12% in 2022. The upward trend in employee turnover rate we are experiencing is consistent not only with a wider mining industry issue in recent years, but also a global issue as people re-evaluate their circumstances and job security. There is also, potentially, an influence from a perceived reduced demand for thermal coal associated with societal values and climate change.

We have had a significant increase in the number of graduates working for us: up to 20 graduates in 2022 from 5 graduates in 2021. We are committed to providing a supportive environment for the professional development of graduates across disciplines such as engineering, environment and community, ESG and geology.


We remain vigilant in our recruitment process and believe in our role as part of a low carbon society.



Our People




43
apprentices hosted




4%
female representation



329
new employees




\$277,906,700
paid in wages



9
trainees




77%
employees covered by collective bargaining agreements




20
graduates



12%
total employee turnover



1,690
people employed



11,000
hours of training provided to employees



160
employee volunteering hours through Meals on Wheels



Community Engagement

The local communities where we operate are key stakeholders to our operations. We believe in transparency in our approach to engagement, building shared value, and aiming to establish relationships to gain and maintain trust with these communities.

Authentic, regular engagement and meaningful conversations are key to our approach to community engagement, underpinned by our stakeholder management plans. As different people have preferred methods of engaging, we offer a range of communication channels. For example, newsletters, community information sessions and personal visits. The operation of our Community Consultative Committees (CCCs), however, continues to be the main engagement method and point of contact with the communities where we operate, providing a two-way exchange of information. We know that open communication and listening to our stakeholders' concerns is of great value.

The CCCs provide an important forum for open discussion between representatives of Centennial, community, council and other stakeholders on issues directly relating to a mine's operations, environmental performance and community relations. Furthermore, CCCs keep the community informed on these matters. Meeting minutes and presentations are available on our website.

Community partnerships

Because we understand their importance to the communities where our people live and work, we actively participate and invest in many community networks and volunteering activities that are not directly mine-related. Our employees also support a range of charities, seeking fundraising support from their colleagues for issues they are passionate about.

Supporting Local Communities

Centennial has always supported the communities where we operate. We prioritise supporting local community initiatives and provide financial benefit and in-kind donations, including volunteer hours, to our community partners.

We are committed to:

1

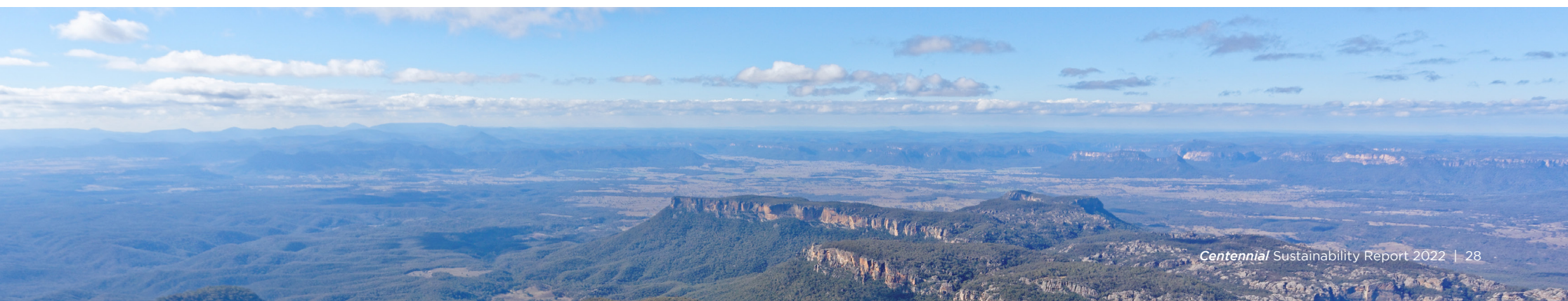
Strengthening community engagement and positive social impact

2

Building shared value in our communities

3

Leaving a positive legacy where we operate



Community Investments

During 2022, Centennial continued to strengthen its stakeholder relationships with the communities where we operate. Our sponsorship of community and sporting initiatives has been very successful and include small donations through to long-term community investments and contributions.

A key milestone for 2022 was the implementation of the Mandalong Community Investment Fund, which is a grassroots initiative allocating grants and sponsorships from an annual pool of \$50,000 to the local communities where Mandalong operates. The initiative has seen funds supporting local sporting groups, Men's Shed initiatives, and community organisations. A second round of the program will be undertaken in late 2023.

Meals on Wheels

Centennial has continued to support the Toronto-Morriset Meals on Wheels with our employees volunteering over 160 hours delivering meals to clients' homes. This initiative has a tremendous social benefit by enabling people with disabilities or mobility restrictions to remain in their home. In 2023, Centennial will proudly mark 15 years supporting this important service in the community.



Over 160 hours volunteered delivering meals to clients' homes





Get in touch

Your feedback and comments are welcome.
To provide feedback, please email the sustainability
team at sustainability@centennialcoal.com.au.

For further information about Centennial please visit:

www.centennialcoal.com.au