



# Sustainability Report

2024

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# Acknowledgement

QCoal acknowledges the Traditional Owners and Custodians of the land on which we operate and conduct our business.

We pay our respects to Elders past, present and emerging. We also recognise those Aboriginal and Torres Strait Islander peoples who make an important contribution to the ongoing success of QCoal.

As a mining company, we recognise the enduring connections that First Nations peoples have to Country and their unique role in the stewardship of these lands for thousands of years.

We are committed to engaging respectfully and collaboratively with Traditional Owners and communities to ensure the sustainable and responsible development of resources while protecting cultural heritage and promoting reconciliation.



Artwork by indigenous artist Chantelle Cooktown, a proud Yidinji woman and member of the Byerwen Sodexo team. Reproduced with permission.

# About this report

## Overview

This Sustainability Report ('Report') is a summary of QCoal Group's material sustainability topics and performance in respect of the reporting period ending on 30 June 2024. All references to 'QCoal', 'QCoal Group', 'the Company', 'the Group', 'we', 'us' and 'our' refer to QCoal Pty Ltd (ABN 99 010 911 234) and the entities it controls, unless otherwise stated.

## Reporting Period

This Report covers the period from 1 July 2023 to 30 June 2024 ('FY24'). References in this 'Report' to year are in respect of the financial year ended 30 June 2024, unless otherwise stated. Comparative data is provided for the prior financial year where indicated (i.e. reporting period ending on 30 June 2023). Where necessary, comparatives have been reclassified or repositioned for consistency with current year disclosures and to conform to changes in reporting policies or correction of prior period errors.

## Boundary and Scope

This Report covers operations at our mine sites in the Bowen Basin including the Byerwen mine, Drake mine, Jax mine, Cows Mine, Sonoma Mine and Cook Colliery. Unless specified, all figures in the Report include the abovementioned operations for the period of reporting.

The report does not cover performance of related party entities that we control and which are outside the consolidated group for accounting purposes, however may be referenced in relation to sustainability strategy and/or management approach.

## Reporting Frameworks

Internal and external stakeholders are consulted to ensure we understand and report on material sustainability risks and opportunities, as well as how these risks and impacts are managed. In FY24, we have commenced work for an initial alignment review with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'). We have also commenced work to review, benchmark and undertake a pre-assessment analysis of alignment with the International Sustainability Standards Board ('ISSB') reporting requirements.

## Currency

All references to monetary values are expressed in Australian Dollars unless otherwise stated.

## Forward Looking Statements

This Report contains forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward-looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future.

## Information Prepared by Third Parties

Certain information contained in this report is based on information prepared by third parties. QCoal Group does not make any representation or warranty that this third-party material is accurate, complete or up-to-date.

# Managing Director's message



On behalf of QCoal Group and the Executive Team, I am pleased to present our FY24 Sustainability Report which provides a summary of our sustainability progress and performance.

At QCoal we have been active in coal exploration, discovery and development in Queensland since 1989.

In 2024, QCoal Group celebrated 35 years in business. The Company has reached many milestones to become a leading diversified mining company through perseverance, dedication and an unwavering commitment to local and regional communities.

As a company, we are immensely proud to have played a significant role in the growth of the Queensland mining industry, fostering regional growth, supporting jobs and contributing financially to the robustness of the Queensland economy.

We also extend our heartfelt gratitude to our valued employees, customers, suppliers, stakeholders and supporters who have been integral to our journey and success. We look forward to the next 35 years of continued success, growth and positive impact.

Christopher Wallin  
Managing Director



# About us

**QCoal Group is a proudly independent Queensland-based company, and our coal projects represent that focus.**

At QCoal we have been active in coal exploration, discovery and development in Queensland since 1989. As our mining projects are predominantly based in Central Queensland, each project supports thousands of workers, their families and the regional communities where they live.

For each and every one of our coal projects, we strive to run our operations in an economically, socially and environmentally responsible way. This gives us the framework to ensure that we are continually focused on bettering Queensland and Australia as a whole. Our operations include the QCoal Northern Hub (consisting of the Drake, Jax, Sonoma and Cows mines), Byerwen Mine and Cook Colliery.

## QCoal Group Values

### Safety

We create a safe workplace where our people are encouraged to lead others, be accountable and act responsibly. We strive to keep our operations injury and fatality free by monitoring plant, equipment and processes.

### Employee Choice

We believe allowing our people to choose to live locally or commute to work is an important factor in their decision to work for us, and to continue working for us.

### Integrity

Delivering on our commitments and holding ourselves to account earns the respect of our internal and external stakeholders.

### Innovation

An entrepreneurial approach is key to finding better ways to create value, in good times and bad.

### Trust

We work with capable, self-motivated people who enjoy the opportunity and freedom to do their job. The latitude we give our team makes for challenging and exciting work.

### Pragmatism

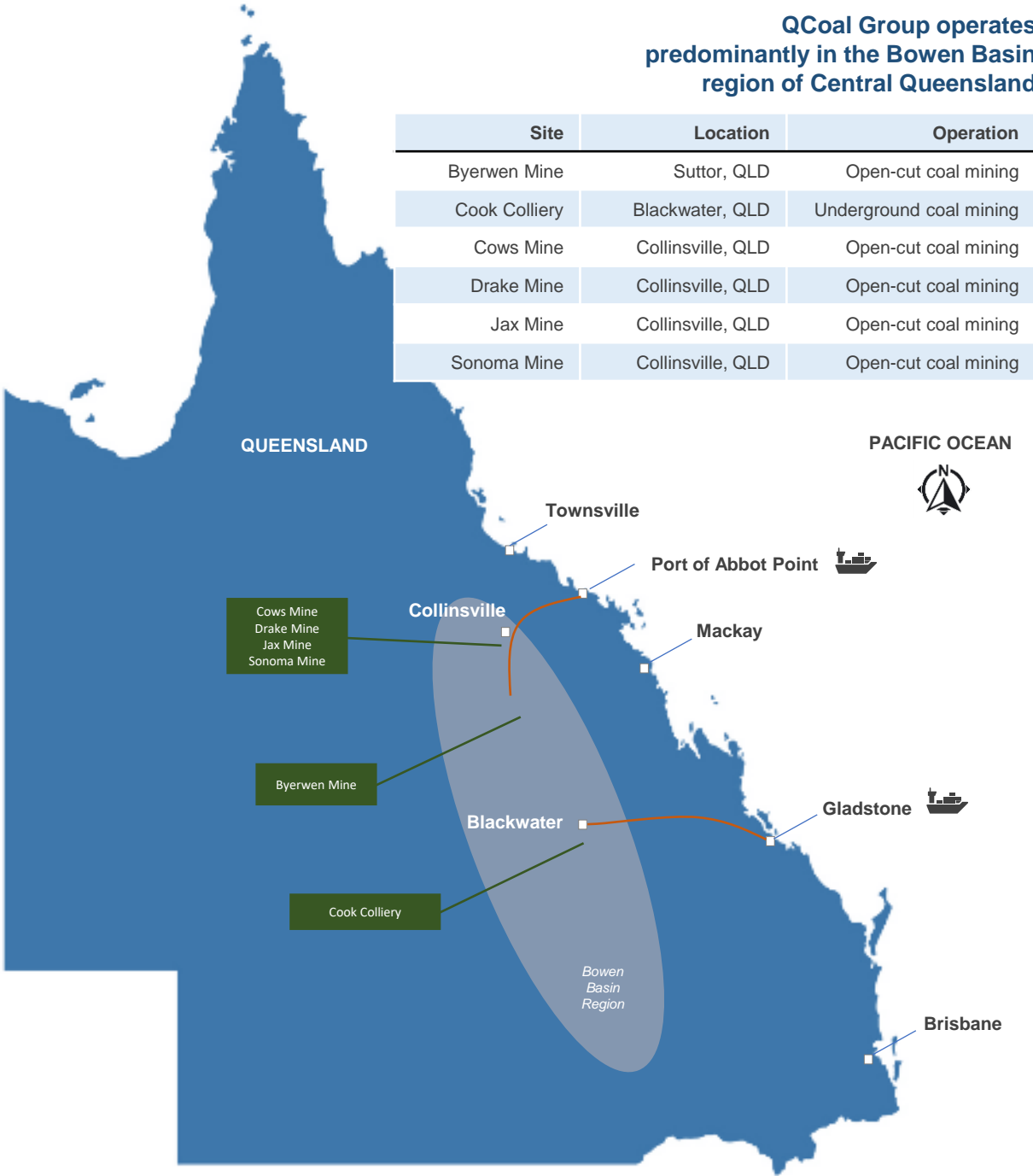
We don't hide behind hierarchy, processes or systems that hinder rather than help.



# Where we operate

**QCoal Group operates predominantly in the Bowen Basin region of Central Queensland**

Site	Location	Operation
Byerwen Mine	Suttor, QLD	Open-cut coal mining
Cook Colliery	Blackwater, QLD	Underground coal mining
Cows Mine	Collinsville, QLD	Open-cut coal mining
Drake Mine	Collinsville, QLD	Open-cut coal mining
Jax Mine	Collinsville, QLD	Open-cut coal mining
Sonoma Mine	Collinsville, QLD	Open-cut coal mining



**Legend:**  
■ Current operating mines  
— Railway

# Key projects

## Byerwen Mine

The Byerwen Mine is located west of Mackay and showcases Queensland’s incredible resources potential. The open-cut mine is capable of producing up to 10 million tonnes of hard coking coal per year.

QCoal Group has a proud partnership with JFE Steel Corporation (part of the JFE Group), Japan’s second-largest steel mill. JFE first invested in Byerwen Mine in 2009 when the project was a greenfield site. This mutually beneficial investment has enabled JFE to secure a stable supply of high-quality coking coal for its steel plants and as well as enabling the ongoing development and productivity of the Byerwen mine.



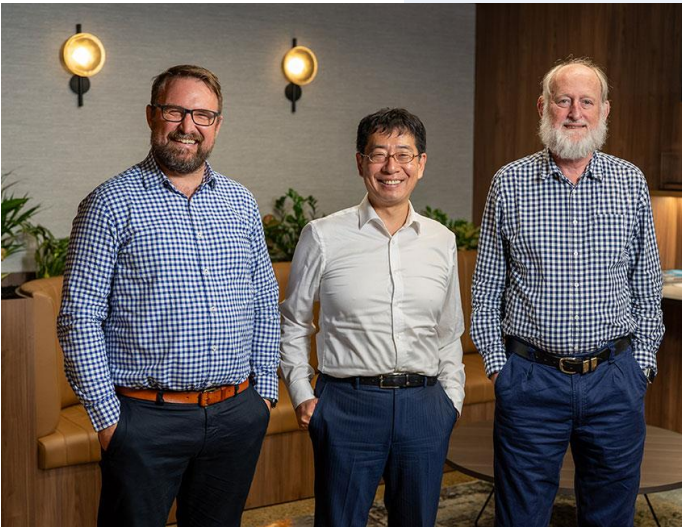
10 million tonnes

Production capability per year

800 jobs

Workforce consisting of employees and contractors at peak capacity

Location	West of Mackay, Bowen Basin, Queensland
Method	Open-cut
Product	Hard coking coal
Traditional Owners	Jangga People and Birriah People
First coal	2018



(L-R) Scott Ada, Director, General Manager – Brisbane Branch, JFE Shoji Australia Pty Ltd; Toshinari (Toshi) Takahashi, Managing Director, JFE Steel Australia Resources Pty Ltd; Chris Wallin, Managing Director, QCoal Group.





# Key projects

## QCoal Northern Hub

The QCoal Northern Hub is based in the mineral rich Bowen Basin near Collinsville, Queensland and includes the Drake, Jax, Sonoma and Cows mines.

The Northern Hub is an excellent example of QCoal Group's hub model for world-class operations which minimises environmental disturbance and vastly improves our capital and operating efficiency. It also ensures the long-term viability of our operations in the Bowen Basin.

Our open-cut mines seamlessly transform raw materials into high-grade coal which is railed to Abbot Point Coal Terminal near Bowen for export to customers around the globe.

Location	South of Collinsville, Bowen Basin, Queensland
Method	Open-cut
Product	Hard coking coal and thermal coal
Traditional Owners	Birriah People
First coal	2008

## 6 million tonnes

Production capability per year

## 600 jobs

Workforce consisting of employees and contractors at peak capacity



## Cook Colliery

The Cook Colliery is located approximately 27 kilometres south of Blackwater in Queensland's Bowen Basin and was added to QCoal's portfolio following its acquisition from Bounty Mining in 2020. At the time of its acquisition the underground metallurgical mine had been in care and maintenance since December 2019. However, under QCoal's stewardship Cook Colliery returned to operational status in February 2022.

The mine site has a long history that stretches back to the 1970s with both longwall and bord and pillar mining methods in use during this time. At the centre of Cook Colliery's output is a high-quality coking coal product (which boasts high fluidity, medium volatility and a low sulphur profile) and a high-quality thermal coal by-product.

Location	South of Blackwater, Bowen Basin, Queensland
Method	Underground – bord and pillar extraction, transitioning to place-change
Product	Hard coking coal and thermal coal
Traditional Owners	Ghungalu Nation People
First coal	1970, 2022 (QCoal restart)

## 1 million tonnes

Production capability per year

## 220 jobs

Workforce consisting of employees and contractors at peak capacity



# Sustainability strategy

**At QCoal, our vision is to be a leading independent Australian diversified mining company with sustainable operations and strong engagement with local and regional communities.**

We believe in a holistic approach to conducting our operations in a way which creates shared value for all stakeholders while taking appropriate steps toward minimising our impact on the environment and proactively managing evolving social licence expectations.

In doing so, we seek to embed a range of key material sustainability topics into our strategic decision-making, operational planning and business culture. This requires active and ongoing engagement with our stakeholders including customers, suppliers, employees, local communities and government.

Strong governance and a commitment to safety and compliance underpins the effectiveness of our sustainability strategy. It ensures our commitments to environmental stewardship, community engagement and social responsibility are not only articulated, but also rigorously enforced and continuously improved.



The United Nations ('UN') Sustainable Development Goals ('SDGs') are a global action plan to address critical challenges facing humanity and the planet. Adopted by all United Nations Member States in 2015, these 17 interconnected goals are a call to action and provide a shared blueprint for peace and prosperity with an aim to balance economic growth, social inclusion and environmental protection.

By addressing issues such as poverty, inequality, climate change, environmental degradation, peace and justice, the SDGs seek to build a more just, equitable and sustainable world for all people and the planet.

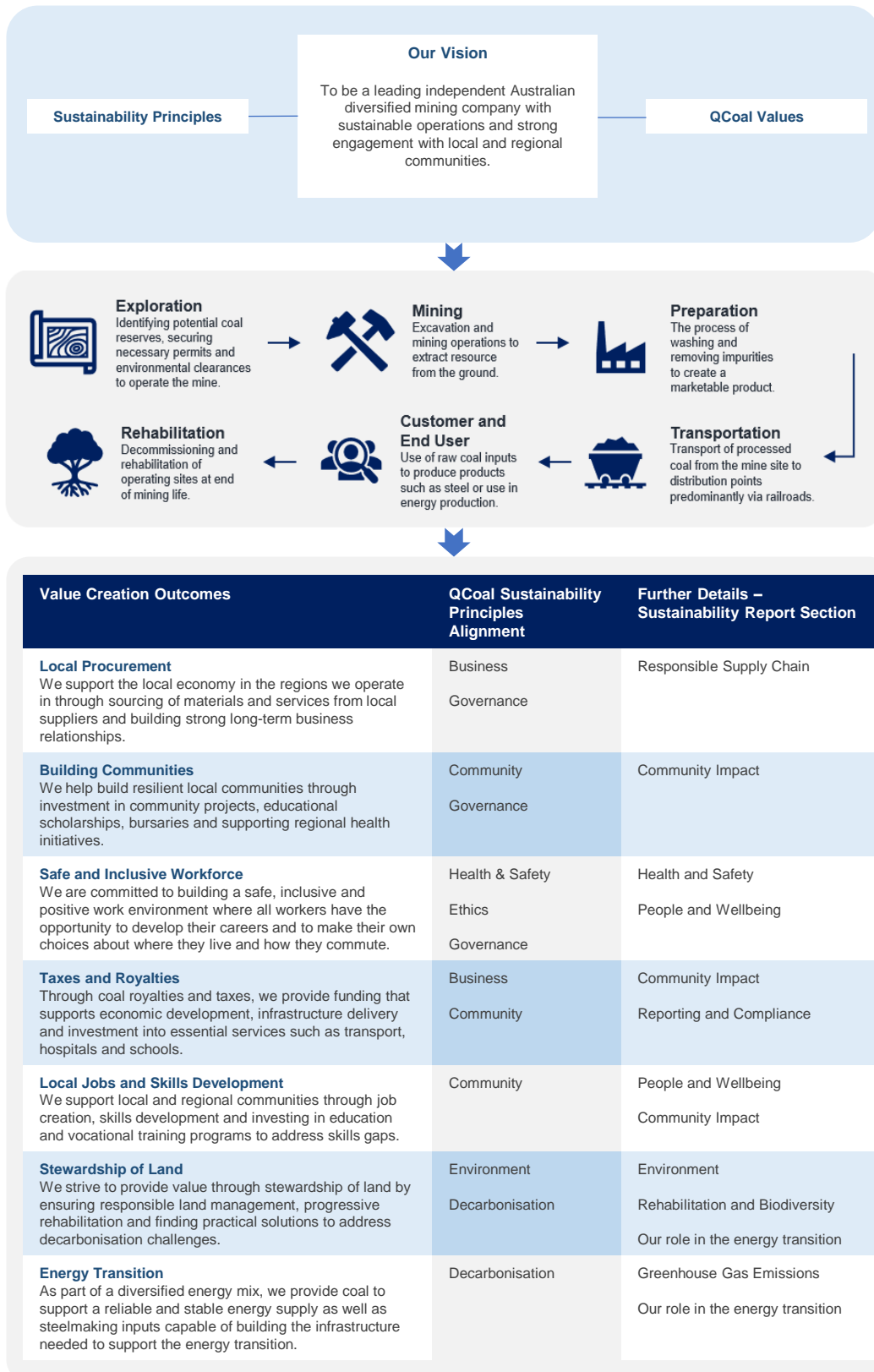
## Our Sustainability Principles

<b>Health &amp; Safety</b>	Ensure a robust health and safety culture, striving for zero harm and ensuring effective prevention and response measures
<b>Environment</b>	Minimise environmental impact by protecting biodiversity and promoting timely rehabilitation of our sites
<b>Community</b>	Ongoing engagement and collaboration with stakeholders to support the wellbeing of local and regional communities, landowners and Indigenous groups
<b>Business</b>	Prioritise the development of high-quality coal assets underpinned by responsible resource management, operational efficiency and a culture of continuous improvement
<b>Decarbonisation</b>	Encourage innovation and development of pathways to address decarbonisation challenges and encourage long-term sustainability
<b>Governance</b>	Commitment to ethical business practices, transparency and compliance with our regulatory obligations
<b>Ethics</b>	Uphold and promote human rights across our business to ensure operations are ethical and considerate of all stakeholders

## United Nations Sustainable Development Goals Alignment



# How we create value



# Sustainability governance

## **Sustainability governance at QCoal is underpinned by a robust risk management and corporate governance framework to deliver on our purpose and sustainability strategy.**

QCoal Group aims to adhere to the highest standards of corporate governance through the implementation of effective governance structures and practices. Our sustainability governance framework ensures that environmental, social, and governance (ESG) considerations are integrated into our decision-making processes at every level of the organisation.

Our governance framework integrates risk management and compliance processes to identify, assess, and mitigate risks associated with our operations. This includes regular reviews and assessments to ensure compliance with regulatory requirements and adherence to industry standards and best practices.

Sustainability governance at QCoal is overseen by the Board and managed by the Sustainability Committee. The Sustainability Committee reports directly to the Board and is responsible for setting the strategic direction for sustainability initiatives, ensuring alignment with business objectives, and monitoring performance against sustainability goals.

The Board holds the ultimate responsibility for oversight of QCoal's strategy and performance. The Board receives quarterly reporting on QCoal's actions and progress in respect of sustainability-related activities across the Group. A key function of the Board is to approve and update QCoal's values, vision, strategies, policies and goals related to economic, risk, sustainability and environmental topics. Additionally, the Board formally reviews and approves the Group's annual Sustainability Report.

## **Management's role in assessing and managing climate-related risks and opportunities**

QCoal Group has assigned dedicated roles within the Management team to effectively deliver sustainability outcomes across the Group. This includes responsibility for the practical implementation of ESG strategies, assessment of climate-related risks and opportunities as well as day-to-day management of actions specific to their areas of responsibility. The team responsible for coordinating the development of our actions and commitments to embed climate strategy across our business reports directly to the Managing Director and Group Executive Officer.

A key role of Management is to facilitate continual education of the Board and key Executive Officers on climate-related issues (as well as broader ESG issues), including changes to regulation, industry trends, benchmark practices and processes. This involves a mix of both formal and informal training initiatives as required.

The Group is also aware of best practice requirements around incorporating climate change performance into executive remuneration outcomes. While the Group has not adopted a formal policy on this as part of its remuneration framework, discretionary consideration is given to climate change performance outcomes on an annual basis<sup>1</sup>. Further work is being undertaken to understand how this could be incorporated into the Group's governance structure at the appropriate time.

## **Targets and Strategies**

As we work towards understanding and developing our strategic response and plan for emissions reduction, we seek to adhere to the following key principles to align with QCoal's broader organisational strategy and business plan:

- Ensure capital allocation decisions are thoroughly informed by commercial outcomes, operating impact and available technology to ensure business continuity and strategically-aligned outcomes for our stakeholders.
- Explore opportunities for carbon abatement initiatives where project outcomes are economically viable, environmentally responsible and meet regulatory compliance obligations.
- Transparency of disclosure and compliance with sustainability reporting frameworks that meet the reporting needs of our stakeholder groups.
- Ongoing stakeholder engagement to understand the evolving nature of sustainability requirements and community expectations to maintain social licence.
- Be an active member of industry debate to advocate for a collaborative response to the energy transition.

The QCoal Group portfolio includes operating mines classified as 'large facilities' with over 100,000 t CO<sub>2</sub>-e in annual Scope 1 emissions. These mines<sup>2</sup> are covered by the Australian Government's Safeguard Mechanism which requires covered facilities to progressively reduce Scope 1 emissions by 4.9 per cent per annum to 2030, against a determined baseline. Details of emissions reduction requirements and related regulations beyond 2030 are yet to be determined by the Australian Government.

Whilst the Group has not yet committed to absolute emissions reduction targets on a voluntary basis, our decarbonisation targets are in line with the Safeguard Mechanism for our operating assets covered under this regime.

As we continue to mature our approach to address the risks and opportunities associated with emissions reduction across our portfolio, we have mapped out a Conceptual Decarbonisation Pathway for QCoal incorporating a range of initiatives we are committed to exploring and evaluating in line with the key principles listed above. Refer to 'Our role in the energy transition' section.

<sup>1</sup> Examples of considerations include compliance with relevant environmental obligations, meeting statutory reporting timeframes and impact of initiatives to improve operational efficiencies on site.

<sup>2</sup> Includes Byerwen, Drake and Jax mines.

# Climate-related risks and opportunities

**We undertake an annual sustainability materiality assessment to proactively anticipate, identify and assess the sustainability topics that matter most to our business and stakeholders.**

The annual assessment is informed through consultation with functional areas across the business and guided by TCFD reporting standards. We also undertake extensive desktop analysis of internal and external sources for our research and benchmarking with key peers within the mining industry, as well as engaging directly with external stakeholders.

## Transition Risks

Transition risks refer to the financial and operational uncertainties that businesses face as economies shift toward a more sustainable and low-carbon future. These risks stem from changes in regulations, market dynamics, technologies, and societal expectations aimed at reducing environmental impacts and combating climate change.

Risk Category	Risk Definition	Timeframe	Mitigation
Regulatory and policy risks	Risk of changing policy and regulatory landscape, industry trends and stakeholder expectations both within Australia and overseas resulting in increased costs and compliance activities.	Short term	<ul style="list-style-type: none"> <li>Advocacy and engagement with policymakers to shape regulations and align business strategies with emerging policies</li> <li>Develop a comprehensive compliance framework to ensure adherence to regulations</li> </ul>
Market risks	Changes in demand from overseas customers due to shifts towards renewable energy sources resulting in coal prices becoming more volatile, impacting revenue and profitability.	Short term	<ul style="list-style-type: none"> <li>Market analysis and assessments to anticipate demand trends</li> <li>Regular engagement with existing and potential customers</li> <li>Revenue diversification through the exploration of alternative revenue streams and expansion into critical minerals projects</li> </ul>
Reputation risks	Transition risks could lead to increased capital costs, reduced access to financing, or higher insurance premiums due to the perceived risks associated with coal mining.	Short term	<ul style="list-style-type: none"> <li>Development of financial models to assess impact of transition risks on capital costs and profitability</li> <li>Engaging with key stakeholders to understand and meet evolving social licence expectations</li> </ul>
Legal risks	Failure to comply with evolving environmental regulations or legal challenges related to environmental damage, competition or changes in legislation could result in litigation, fines, or other sanctions.	Medium term	<ul style="list-style-type: none"> <li>Engage with stakeholders, and monitor litigation trends and risks via a robust legal compliance program</li> <li>Engage with legal experts to anticipate and manage potential legal challenges</li> </ul>
Technological risks	Advances in technology may make coal less competitive compared to renewable energy technologies. New energy-efficient or lower-emission technologies could reduce the demand for coal.	Medium to long term	<ul style="list-style-type: none"> <li>Collaborate with stakeholders in supply chain and customers to understand industry trends</li> <li>Investment in development of new technologies and processes to enhance efficiency and performance of mining operations</li> </ul>
Operational risks	Diversification of business operations away from core coal mining activities may involve significant operational changes including adapting to new regulations, maintaining a skilled and engaged workforce and capital requirements	Medium to long term	<ul style="list-style-type: none"> <li>Continuously review and optimise operational processes to improve efficiency and adapt to new standards</li> <li>Seek opportunities for development of new projects and/or investment in businesses that have synergies with existing operational processes</li> </ul>

# Climate-related risks and opportunities

## Physical Risks

Physical risks refer to the potential negative impacts on businesses due to the physical effects of climate change. These risks are generally categorised into either acute (event-driven) risks and chronic (longer-term) risks. Acute risks encompass severe weather events or extreme climate conditions that can cause immediate and significant damage such as cyclones, flooding, heatwaves and bushfires. Chronic risks refer to long-term changes in climate patterns that progressively affect business operations such as increasing temperatures, prolonged droughts and rising sea levels.

Risk Category	Risk Definition	Timeframe	Mitigation
Extreme weather events (on-site)	Severe weather events such as cyclones, flooding or bushfires can disrupt mining operations by damaging on-site mining equipment and infrastructure as well as limiting access to mine sites by operations personnel and contractors	Medium term	<ul style="list-style-type: none"> <li>Develop a robust business continuity plan and regularly update emergency response procedures to address extreme weather events</li> <li>Design and maintain effective drainage systems to manage excess water and prevent flooding on-site</li> </ul>
Extreme weather events (supply chain)	Disruption to port, rail and road infrastructure from severe weather events resulting in product not being transported for distribution to customers	Medium term	<ul style="list-style-type: none"> <li>Engage regularly with supply chain partners to put in place contingency plans and ensure compliance with all procedures</li> </ul>
Water supply	Prolonged droughts and reduced water availability can impact mining operations that rely on water for processing and dust suppression	Medium term	<ul style="list-style-type: none"> <li>Develop robust water management plans including recycling of water where applicable to sustain local water sources</li> </ul>



Byerwen mine workers' camp

# Climate-related risks and opportunities

## Risk Management

As QCoal navigates the complexities of operating within the mining industry, it is increasingly evident that climate change presents significant challenges that intersect with the Group’s financial strategies and long-term operational resilience. The interconnected nature of climate change risk and financial risk therefore necessitates a proactive approach to understanding and mitigating these issues.

## Qualitative Scenario Analysis – Identifying and assessing climate-related risks

QCoal has conducted its first climate scenario analysis in FY24 to assess our climate risks and to help us understand how different variables and uncertainties might impact our operations and strategies in the future. Scenario analysis forms a key part of the recommendations of the TCFD and underpins our climate resilience assessment required under the *Australian Sustainability Reporting Standards* (‘ASRS’). The following qualitative scenario analysis addresses risks that are specific to QCoal’s operations and does not consider any broader climate risks that may occur as a result of the energy transition. Further work is being undertaken to increase the sophistication of our scenario analysis with the view to report on the financial resilience of our mining portfolio in future reporting periods.

QCoal Scenario Description	Implications for QCoal	Potential Mitigation Options
<b>Scenario 1 – Accelerated Transition to Renewable Energy</b>		
In this scenario, there is a rapid global shift towards renewable energy sources driven by aggressive government policies, technological advancements, and societal demand for sustainability. Governments implement stringent regulations on carbon emissions, and significant investments are made in renewable energy infrastructure. Market dynamics favour green technologies, resulting in decreased demand for both thermal and coking coal.	<ul style="list-style-type: none"> <li>Regulatory pressure: Stricter emissions regulations and carbon pricing significantly increase operational costs and compliance requirements for QCoal mines subject to the Safeguard Mechanism.</li> <li>Market demand: Reduced demand for thermal and coking coal leads to lower prices and revenue, affecting Group profitability.</li> <li>Investment challenges: Difficulty in securing financing due to institutional and investor preferences for sustainable projects.</li> <li>Operational adjustments: Need to adapt mining practices or invest in cleaner technologies to mitigate environmental impact from QCoal mines.</li> </ul>	<ul style="list-style-type: none"> <li>Diversification: Seek investment in alternative energy projects or technologies to reduce reliance on coal.</li> <li>Innovation: Develop and deploy technologies that improve the operational efficiency of coal mining operations where practical and commercially feasible.</li> <li>Engagement: Actively participate in industry dialogue and policy-making to influence regulations and adapt business strategies.</li> </ul>
<b>Scenario 2 - Moderate Regulatory and Market Shifts</b>		
In this scenario, the transition to renewable energy progresses at a moderate pace. Governments implement gradual regulations on emissions, and the market sees a steady increase in renewable energy adoption. Thermal coal remains a viable energy source due to its cost-effectiveness and existing infrastructure, while coking coal demand remains stable.	<ul style="list-style-type: none"> <li>Regulatory compliance: Incremental increases in regulatory requirements lead to moderate increases in operational costs for QCoal mines.</li> <li>Market position: Coal continues to be a significant energy source, but competition from renewables grows. Coal prices remain relatively stable.</li> <li>Investment opportunities: Potential opportunities for investments in technologies that enhance on-site efficiencies and reduce carbon footprint.</li> <li>Operational stability: QCoal’s operations face manageable adjustments and moderate shifts in practices over time.</li> </ul>	<ul style="list-style-type: none"> <li>Efficiency improvements: Focus on optimising operational efficiency and reducing environmental impact through technological upgrades.</li> <li>Strategic partnerships: Seek partnerships with suppliers to integrate lower carbon technologies into mining operations.</li> <li>Market adaptation: Monitor market trends and adjust production strategies to align with evolving demand patterns.</li> </ul>
<b>Scenario 3 - Delayed Transition with Sustained Coal Demand</b>		
In this scenario, the transition to renewable energy is slow due to limited policy initiatives, technological barriers, and continued reliance on fossil fuels for energy security. Thermal coal remains a dominant energy source, and regulatory changes are minimal. Demand for coking coal remains strong driven by economic growth in Southeast Asia.	<ul style="list-style-type: none"> <li>Operational continuity: Stable regulatory environment and sustained demand for both thermal and coking coal result in stable revenues and operational practices.</li> <li>Competitive advantage: The company benefits from relatively low operational disruptions and competitive coal prices.</li> <li>Investment focus: Opportunities to invest in process improvements and efficiency measures without immediate pressure for radical changes.</li> <li>Long-term risks: Potential for future regulatory changes and market shifts if and when the transition to renewable energy accelerates.</li> </ul>	<ul style="list-style-type: none"> <li>Long-term planning: Develop long-term strategies to prepare for potential future shifts in market and regulatory landscapes.</li> <li>Operational excellence: Focus on maintaining high operational standards and efficiency to ensure resilience against future changes.</li> <li>Future-readiness: Begin exploring diversification opportunities and investments in lower carbon technologies to future-proof the business.</li> </ul>

# Greenhouse gas emissions

QCoal reports annually to the Australian Government's Clean Energy Regulator ('CER') in relation to its greenhouse gas ('GHG') emissions, energy production and consumption. This reporting is in line with the requirements of the National Greenhouse and Energy Reporting ('NGER') Scheme which was established under the *National Greenhouse and Energy Reporting Act 2007*.

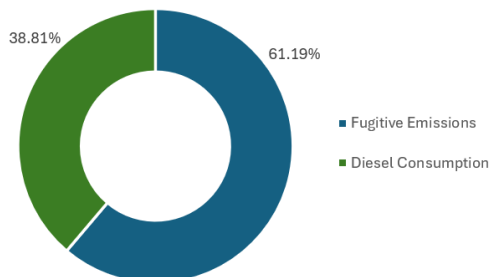
Disclosures reported under the NGER Scheme include QCoal's annual Scope 1 and 2 GHG emissions. These disclosures are publicly available from the CER website. For further details, please refer to the ESG Data Tables in the Appendices section.

## Safeguard Mechanism Regime<sup>1</sup>

From 1 July 2023, the Australian Government's reformed Safeguard Mechanism regime came into effect. The Safeguard Mechanism applies to large facilities that emit more than 100,000 tonnes of carbon dioxide equivalent (t CO<sub>2</sub>-e) in a year, which includes our Byerwen, Drake and Jax mines. The reformed scheme applies an annual decline rate to all facility baselines of 4.9 per cent each year to FY30<sup>2</sup>.

For the coal industry, a hybrid baseline model is applicable in respect of Scope 1 emissions whereby Safeguard coal facilities will need to transition from a baseline weighted 95% to their site-specific emissions intensity in the FY24 financial year, to one weighted 50% to the industry average emissions intensity of 0.0653 t CO<sub>2</sub>-e per run-of-mine ('ROM') coal tonne by FY30.

## FY24 Scope 1 Emissions<sup>3</sup>

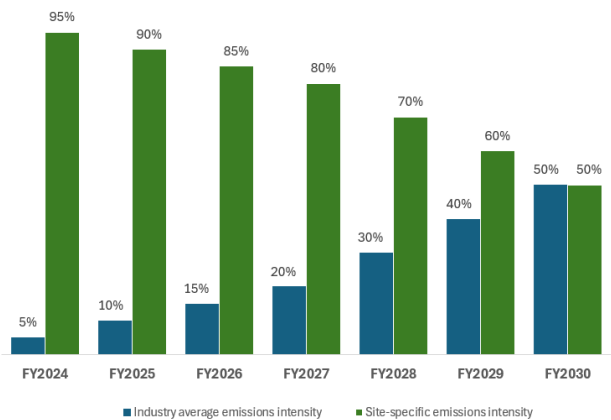


<sup>1</sup> <https://www.dceew.gov.au/climate-change/emissions-reporting/national-greenhouse-energy-reporting-scheme/safeguard-mechanism>.

<sup>2</sup> Annual decline applies to all facility baselines and does not mitigate the requirement for facilities to take measures to reduce Scope 1 emissions. Refer to QCoal's 'Conceptual Decarbonisation Pathway' on page 18.

<sup>3</sup> Includes emissions from Byerwen, Drake, Jax and Cook Colliery in respect of the FY24 reporting period.

## Coal Sector Hybrid Baselines



## Overview of Safeguard Mechanism Baselines

*Existing Facility Baseline* = production x emissions intensity (based on hybrid baseline) x decline factor (4.9% per annum)

*Site-specific Emissions Intensity* = calculated based on the average of the middle three values for the historical period FY18 – FY22

*Industry Average Emissions Intensity* for the coal industry is 0.0653 t CO<sub>2</sub>-e per ROM coal tonne

## Australian Carbon Credit Units ('ACCUs')

Under the Safeguard Mechanism, facilities are able to purchase and surrender domestic offsets in the form of ACCUs to meet their compliance obligations. An ACCU represents one tonne of emissions avoided or sequestered. Each ACCU surrendered by a Safeguard Facility reduces its net emissions by one tonne.

QCoal Carbon Offsetting Policy outlines the Group's approach to carbon offset management. The policy emphasises the importance of reducing emissions at the source where sensible and commercially-viable to do so. Where suitable carbon abatement options do not exist (due to lack of technology or commercialisation) or are insufficient to meet all of our emissions compliance obligations, we will prioritise the use of approved ACCUs or Safeguard Mechanism Credits ('SMCs').

In respect of the compliance period ended 30 June 2023, QCoal Group purchased and surrendered a total of 7,047 ACCUs for compliance purposes for the Jax mine. The Byerwen and Drake facilities did not exceed their emissions baselines for the FY23 period. These ACCUs were generated from native forest protection projects in New South Wales focused on regenerating native vegetation through controlled grazing and feral animal management. Refer to 'The Benefits of Carbon Farming' case study on page 20.



# Greenhouse gas emissions

## Scope 3 Emissions

During the reporting period, QCoal undertook a comprehensive study to assess and measure its Group-wide Scope 3 emissions profile using FY23 as a baseline year. This study included an analysis of the 15 categories of Scope 3 corporate value chain emissions as outlined in the Greenhouse Gas Protocol framework.

Our Scope 3 value chain emissions for FY23 were 24.5 Mt CO<sub>2</sub>-e, approximately 31 per cent higher than our combined Scope 1 and Scope 2 emissions (795 kt CO<sub>2</sub>-e). The majority of Scope 3 emissions are attributable to:

- Combustion of thermal coal by customers in power plants for the purpose of generating electricity.
- Conversion by our customers of coking coal into metallurgical coke which is used as an input into various industrial processes, such as iron and steel production.

Refer to ESG data tables in the Appendices for further details, including assumptions used.

A breakdown of QCoal Group's operational carbon footprint for both FY23 and FY24 is included below:

GHG Emissions	FY24 t CO <sub>2</sub> -e	FY23 t CO <sub>2</sub> -e
Scope 1 emissions	914,814	712,933
Scope 2 emissions	82,226	82,228
Scope 3 emissions	27,007,546	24,514,666
<b>Total emissions</b>	<b>28,004,586</b>	<b>25,309,827</b>

## Investment in Low Emissions Technology

QCoal Group continues to invest in the Low Emissions Technology Australia ('LETA') program. The program is committed to identify, research and develop technologies to reduce emissions from energy and other heavy industries.

LETA works with like-minded organisations towards reducing industrial emissions and with the goal of heading to a lower carbon emissions future. This is achieved through partnering with governments in Australia and abroad, internationally renowned research centres such as CO2CRC and research organisations such as CSIRO.

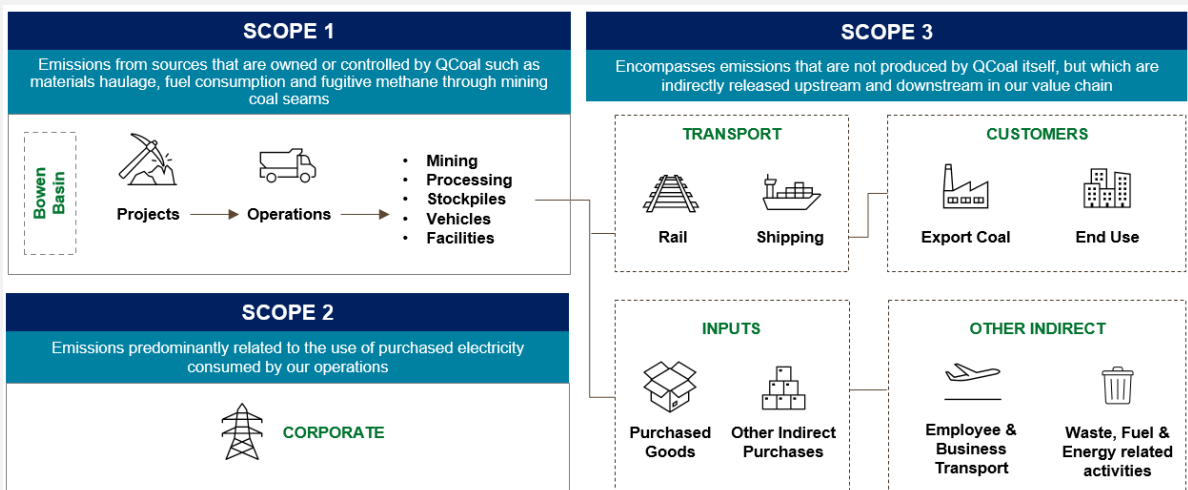
Projects encompass a range of areas including carbon capture utilisation and storage ('CCUS'), where carbon is captured from industry and power production to be reused or stored safely.

# \$2.6 million

Total QCoal funding contributed to date for the Low Emissions Technology Australia Program<sup>1</sup>.

<sup>1</sup>Total combined funding contributed by Byerwen, Drake, Jax and Cook Colliery for the period FY18 to FY24. Represents total amounts paid from inception to 30 June 2024 on a cash basis. Amounts may differ to disclosures reported on an accrual basis.

## The QCoal Value Chain and Categorisation of Emissions



# Our role in the energy transition

## Key Principles

As we work towards understanding and developing our strategic response and plan for emissions reduction, we seek to adhere to the following key principles:

- Ensure capital allocation decisions are thoroughly informed by commercial outcomes, operating impact and available technology to ensure business continuity and sustainable outcomes for our stakeholders.
- Explore opportunities for carbon abatement initiatives where project outcomes are economically viable, environmentally responsible and meet regulatory compliance obligations.
- Transparency of disclosure and compliance with sustainability reporting frameworks that meet the reporting needs of our stakeholder groups.
- Ongoing stakeholder engagement to understand the evolving nature of sustainability requirements and community expectations to maintain social licence.
- Be an active member of industry debate to advocate for a collaborative response to the energy transition.

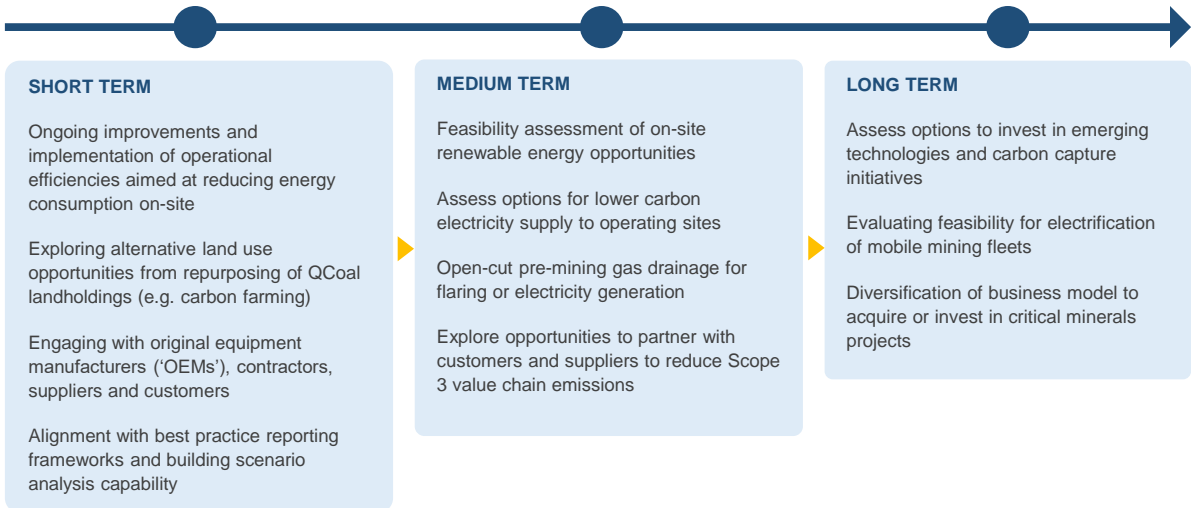
## QCoal's Approach to Decarbonisation

Our belief is that coal can play an important part in the energy transition. The success of this transition will rely on continued technological development, energy affordability, reliable power supply and a sensible regulatory environment that includes coal in the mix.

The ongoing discussion of coal's role in the energy transition reminds us that a balance needs to be achieved in climate policy whereby a combination of both coal and renewables are a part of the energy transition pathway as infrastructure and technology is scaled up to meet the evolving demands of population growth both within Australia and internationally.

As we mature our approach to address the risks and opportunities associated with the energy transition, we have mapped out a conceptual decarbonisation pathway for QCoal incorporating a range of initiatives we are committed to exploring and evaluating in line with the key principles above. Refer to the 'Navigating the decarbonisation landscape' section of this report for further details.

### Conceptual Decarbonisation Pathway<sup>1</sup>



<sup>1</sup> Based on preliminary assessments undertaken by the Group during the reporting period. Initiatives outlined have not been subject to full financial, legal and operational due diligence. Further work is required to understand commercial viability and is subject to market and regulatory conditions.

#### Assumptions

Key assumptions used to develop the Conceptual Decarbonisation Pathway include:

- A 'moderate regulatory and market shift' scenario whereby governments implement gradual regulations on emissions.
- Markets experience a steady increase in renewable energy adoption with coal remaining a key part of the energy mix.
- Technology continues to develop at a moderate pace with a gradual uptake by industry of new processes to improve carbon reduction outcomes.
- Safeguard Mechanism regime remains broadly consistent with current policy structure, scope and coverage.

# Our role in the energy transition

## Navigating the Decarbonisation Landscape

QCoal takes a pragmatic approach to the current state of the decarbonisation landscape within the coal sector in Australia. While we have seen numerous trials and emerging technologies aimed at reducing operational emissions from coal mining activities, our view is that broad-scale technologies to address hard-to-abate emissions are at very early stages of development. A balanced portfolio of policy measures is needed to support early movers in this space and to incentivise the development and deployment of low-carbon technology within the coal mining sector.

QCoal has been a long-term contributor to the LETA program which supports collaborative partnerships with both industry and governments to advance technologies required to support the energy transition. QCoal also maintains a collaborative approach to working with suppliers and contractors by leveraging these partnerships in a collective effort to ensure we remain up to date with innovative mining practices.

## Mining Contractor Partnerships

QCoal Group operates a mining contractor model across its various sites and benefits from the sustainability approach and strategies implemented on-site by our key contractors.

The QCoal Northern Hub (comprising the Drake, Jax, Sonoma and Cows mines) utilises Thiess as the primary mining contractor across these operations. From a sustainability perspective, Thiess has committed to play an important role in the global ambition of transitioning to net zero carbon emissions, launching a strategy to transform its business into a leading provider of sustainable diversified practices.

Thiess has set a number of interim targets<sup>1</sup>, including 25 per cent reduction in Scope 3 emissions from fuel combustion in operated fleets by 2035, on their journey to Net Zero Scope 1, 2 and Scope 3 fleet emissions by 2050<sup>1</sup>. Thiess are working to continually improve operational and energy efficiency and are undertaking a number of initiatives to support the development and commercialisation of emissions reduction technology.

## Diesel Fuel Alternatives

Fuel is critical to our daily activities, powering essential machinery such as haul trucks, excavators and coal washing assets which drive productivity and maintain our 24-hour a day site operations. On-site diesel consumption, however, represents approximately 45 per cent of Scope 1 emissions across the QCoal Group.

Transitioning to diesel fuel alternatives presents a significant opportunity for reducing our Scope 1 carbon footprint. We are currently exploring the feasibility of diesel fuel alternatives with our existing suppliers including hydrogenated vegetable oil ('HVO') which is a renewable diesel made from waste sources like vegetable oils and animal fats. HVO has a similar chemical composition to petroleum-derived diesel and in many cases can be used as a drop-in replacement for ordinary diesel fuel<sup>2</sup>.



## Product Innovation in Blasting

QCoal Group has partnered with Orica to implement the new 4D™ bulk explosives system. The new 4D™ advanced blasting system is enabled by proprietary emulsion chemistry and smart delivery systems. Operations using 4D™ can achieve accurate, automated and efficient energy control. Outcomes include improved orebody recovery, reduced overall explosive consumption and better fume, vibration and nitrate leaching control<sup>3</sup>.

In partnership with Orica, initial implementation of the 4D™ bulk system during FY24 at the Byerwen mine have revealed an 8 per cent reduction in bulk explosive consumption and a 10 per cent reduction<sup>4</sup> in associated value chain emissions using 4D™ technology compared to conventional pumped emulsion. While emissions associated with blasting are quite small relative to the total emissions of a coal mine, QCoal is committed to partnering with Orica to more accurately quantify the emission contribution of explosives going forward.

<sup>1</sup> <https://thiess.com/sustainability/decarbonisation>. These interim targets are not specific to QCoal Northern Hub mines.

<sup>2</sup> <https://www.vivaenergy.com.au/business/carbon-solutions/hvo-fuel>

<sup>3</sup> <https://www.órica.com/4d/4d>

<sup>4</sup> The reduction in bulk explosive consumption relates to the implementation of 4D™ explosive technology between September to November 2023 at the Byerwen Mine. The specific emissions from the use of standard and 4D™ explosive technology have been determined by Orica from the cradle-to-grave Product Carbon Footprint assessment statement, verified by a third-party in accordance with the ISO14067 standard.

# Our role in the energy transition

## Investing in Transitional Technologies

We continue to explore opportunities to invest and trial a range of transitional technologies. This includes providing capital and funding for lithium ceramic battery research, development and manufacturing which provides next-generation battery solutions for electric vehicles in consumer markets and industrial applications.

### CASE STUDY – The Benefits of Carbon Farming

#### Argyle Native Forest Protection Project

QCoal Group supports compliance and voluntary markets through the sourcing of high-quality Australian carbon credits. In FY24, QCoal purchased and surrendered ACCUs sourced from the Argyle Native Forest Protection Project<sup>1</sup>. The Project operates on land belonging to farming families who are advocates of the regenerative benefits that carbon projects bring to agriculture businesses as well as the financial benefit for regional communities.

The aim of the project is to regenerate native vegetation through controlled grazing and feral animal management. Even though the owners purchased the property during a drought, they were able to commence infrastructure upgrades right away through the support of funds generated from the carbon project. This in turn helped put much needed money back into the local economy during hard times. The owners were also able to retain staff through the drought and have expanded the farming team since the drought broke.

Carbon projects such as these give owners the confidence to de-stock early when droughts hit, allowing the land to bounce back stronger afterwards. The project also provides the opportunity to protect the biodiverse riparian zones that stock gravitates towards during drought, maintaining these areas as wildlife refuges for native species through the dry season.

Following the success of the project, the owners purchased another nearby property and quickly established a carbon project there too. The extra land has allowed them to better rotate grazing pressure across both properties and rest pastures more readily when required.

Having run three carbon projects across three properties in the past decade, the owners are convinced that carbon and farming work together to deliver positive outcomes for both the environment and agriculture.

<sup>1</sup> <https://greencollar.com.au/project-information/argyle-native-forest-protection-project/>

## Joint Venture Vision

JFE Steel Corporation (part of the JFE Group), Japan's second-largest steel mill and joint venture partner in our Byerwen Mine, is committed to addressing the implications of climate through its Group Environmental Vision for 2050. JFE has also set a target of 30 per cent or more reduced CO<sub>2</sub> emissions by FY30, compared with fiscal 2013 levels and a goal of achieving carbon neutrality by 2050.

To achieve these goals, JFE Steel is exploring a range of opportunities to improve efficiencies and develop new low emission technologies across its business<sup>2</sup> including:

- Increasing the use of scrap iron and accelerating the development of shifting production from blast furnaces to electric arc furnaces with innovative technologies for energy savings.
- Upgrading to high-efficiency coke ovens and utilising AI and data science to realise energy savings.
- Developing technologies that convert CO<sub>2</sub> generated by blast furnaces and direct reduction furnaces into methane for reuse.

### CASE STUDY - Decarbonising Shipping

The majority of QCoal's product is exported to international markets through shipping channels. While shipping remains the backbone of global trade and economic growth, it also contributes significantly to total GHG emissions, accounting for approximately three per cent<sup>3</sup> of all GHG emissions globally.

We collaborate closely with our customer base to understand their goals and strategies in relation to supporting decarbonisation of the shipping sector. Key measures and interventions observed include:

- Investing in and maintaining modern shipping fleets equipped with best available technology.
- Trialling new fuels on owned and chartered vessels, including supporting development of alternative fuels and investing in on-board carbon capture technology.
- Investment in broader efficiency measures including silicone hull coating, wake equalising ducts, ultrasonic propeller antifouling technology, continuous underwater hull cleaning and propeller polishing.

<sup>2</sup> <https://www.jfe-steel.co.jp/en/company/carbon.html>. For the avoidance of doubt, QCoal's decarbonisation commitments for the Byerwen facility are limited to what is set out in this report. Where possible, QCoal intends to work with JFE to implement operational efficiencies at the facility where it is feasible to do so.

<sup>3</sup> According to the United Nations Conference on Trade and Development ('UNCTAD'): <https://unctad.org/publication.review-maritime-transport-2023>.

# Environment

**QCoal strongly believes in the principles of environmental stewardship and we acknowledge that embracing a proactive approach to environmental management is needed to preserve and protect our natural surroundings.**

QCoal has established and maintains a range of policies, frameworks and processes to deliver on our environmental commitments. Our mines operate in accordance with Environmental Authorities issued by the Queensland Government which include a range of ongoing compliance obligations and annual reporting requirements. Our key environmental policy principles include:

- Implementing the highest environmental standards in all areas of our operations to ensure we comply with all applicable legislative requirements
- Minimise waste through efficient use of materials and inputs
- Use of recycled products where possible
- Provision of environmental training and education to employees and contractors
- Providing appropriate weight to environmental considerations in all investment decisions
- Annual public reporting of sustainability initiatives and results to ensure transparency across our operations

## Dust Management

QCoal works proactively to manage and mitigate the impact of dust emissions from our operations. This includes the following measures:

- Continuous operation of water trucks along trafficable areas with water primarily obtained from sediment dams
- Restricted site vehicle speeds on access and haul roads
- Use of stemming materials, dust aprons and water sprays during drilling activities
- Management of timing for blasting, overburden and ROM tipping operations during excessively windy conditions
- Reshaping, topsoil application and rehabilitation of overburden areas
- Temporary sealing of large overburden areas that remain unused and/or are exposed for extended periods of time
- Continuous monitoring of dust levels and reporting of air quality metrics to track performance and progress

## Water Stewardship

Water is critical to our mining operations, particularly for use in our coal handling preparation plants and dust suppression activities for both open-cut and underground operations. All of QCoal's operating mines have an approved Water Management Plan in place which outlines the monitoring and measurement activities required to adhere to our legislated environmental obligations.

We seek to recycle water where it is practical and safe to do so, and we implement appropriate tailings management processes to minimise the environmental impact of tailings storage on groundwater and surface water quality. The main operational areas in which water recycling is used are for our coal handling preparation plants and for dust suppression.

We also employ a range of mitigation measures to minimise potential impacts on surrounding rivers and tributaries, such as separating clean water run-off from undisturbed areas and redirecting around disturbance areas for discharge off site; minimisation of disturbance areas requiring on-site containment; and progressive rehabilitation of disturbance areas to allow future direct discharge off site.

## Waste Management and Recycling

Effective waste management and recycling is integral to ensuring that waste products and other effluents generated from mining and processing activities are appropriately handled, stored and disposed of.

Waste is generated from a number of sources during the exploration, development, production and closure phases of our operations. This includes **mineral waste**, consisting of overburden (soil, clay and rock that must be removed to access the coal seams) and tailings (residual materials left after coal extraction and washing), as well as **non-mineral waste** such as industrial waste (used machinery parts, oils and lubricants), general waste (from on-site facilities such as offices, kitchens and accommodation) and hazardous waste (chemicals and solvents used in mining processes).

In accordance with our Waste Management Plans, we seek to categorise, store and transport waste generated from our operations to adhere to licence and regulatory requirements. This includes:

- Recycling or re-use of waste material when possible
- Separation of waste storage bins into appropriate categories for on-site collection
- Collection and transport of hazardous waste by approved and licensed contractors
- Completion of waste tracking documentation and regular inspection of waste storage facilities

# Rehabilitation and biodiversity

## Rehabilitation

In line with our environmental strategy and group Sustainability Policy, we acknowledge that we have a role to play in minimising adverse environmental impacts through each stage of our operational activities.

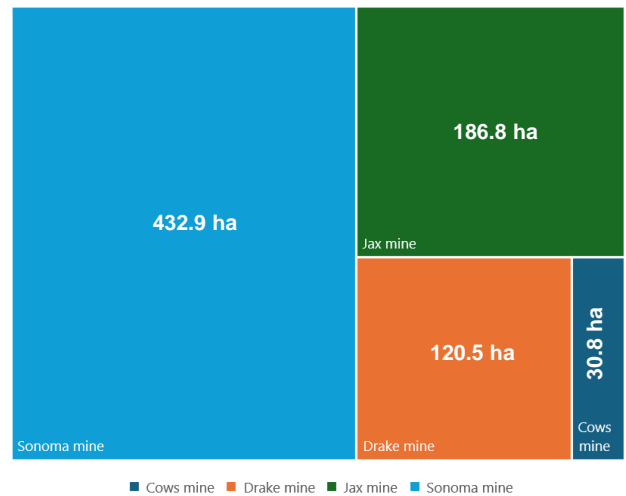
Rehabilitation activities form an important part of this strategy which includes contributing to post-mining social value creation. Under our progressive rehabilitation and closure ('PRC') plans, our requirements under the *Environmental Protection Act 1994* requires that areas disturbed by mining activities must be rehabilitated to a stable condition in line with the following objectives:

- Post-mine land use of low intensity grazing or native habitat, where appropriate.
- On final rehabilitation of the site, make disturbed areas stable to ensure that the proposed post-mine land use is not compromised by surface instability.
- Ensure that any land contamination is either removed or managed to ensure no adverse impacts to post-mine land use.
- Decommission, dismantle and remove site infrastructure where required.
- Ensure constructed landforms such as co-disposal systems and waste rock dumps are geochemically stable and do not impact on surface water or groundwater quality.

Progressive rehabilitation is also a key priority across QCoal's operations, with disturbed land rehabilitated as soon as practical throughout the life of the mine as well as after its closure. These progressive rehabilitation initiatives include:

- Backfilling of previously mined pits with the overburden from current pits being mined
- Proactive maintenance of topsoil stockpiles to ensure stability
- Capping of overburden stockpiles with topsoil and subsequent grassing, drainage and revegetation

## Actual Rehabilitation Performed to Date<sup>1</sup>



## 771 hectares

Land rehabilitated across our operations as at 30 June 2024

<sup>1</sup> Actual rehabilitation performed represents all areas where rehabilitation has commenced (i.e. bulk earthworks to shape areas to final landform, capping of overburden stockpiles, etc.) as at 30 June 2024.

## Biodiversity Offsets

QCoal maintains a significant land holding west of Glenden which provides for 1,990 hectares of managed biodiversity offsets for the Brigalow Threatened Ecological Community. Within the offset areas, we have committed to a number of management actions including weed and pest management, cattle exclusion and access management.

The Brigalow Ecological Community is known to contain 17 animal species that are threatened nationally and/or in Queensland, including the Ornamental Snake and Squatter Pigeon.

## 1,990 hectares

Federal and State Biodiversity Offsets

# Community impact

**\$18.5 million**

Wages paid to employees in FY24<sup>1</sup>

**\$184.3 million**

Labour paid to mining contractors in FY24<sup>1</sup>

**\$925.2 million**

Local Queensland and regional supplier spend in FY24<sup>1</sup>

**\$470.5 million**

Total taxes and royalties paid in FY24<sup>1</sup>

**\$903k**

Total QCoal Group donations and community contributions for the period ended 30 June 2024<sup>1</sup>

**20,000 patients**

Royal Flying Doctor Services ('RFDS') Dental Service patients treated since 2013 in 27 Queensland communities.

**136,800 treatments**

RFDS Dental Service treatments since 2013.

<sup>1</sup> Represents amount paid during the FY24 reporting period on a cash basis. Amounts may differ to disclosures reported on an accrual basis.

## Community Grant Program

The QCoal Foundation Community Grant Program was established to encourage community-led initiatives to improve liveability, health and education in communities throughout regional and remote Queensland. A snapshot of grant recipients this year include:

### Little Diggers Collinsville Childcare

The community grant program enabled Little Diggers to purchase of educational resources like the "Science and Discovery Value Pack" and "Sensory Pads." These resources have already been put to great use enriching learning and development.

### Gladstone Men's Shed

The Gladstone Men's Shed received a QCoal Foundation grant for their "Improving Men's Health through Exercise" program. This popular program currently runs weekly, and our funding will support an increase in sessions to three days, engage a physiotherapist, and purchase additional exercise equipment.

### Meteors Football Club

A Community Spirit grant will help the club purchase new goals to support their growing community, ensuring kids of all ages can continue to play and develop their skills.

### Stella Life

Stella Life received a QCoal Foundation Community Spirit grant for their Bowen Community Garden Shade Sails project. This grant will be used to purchase and install shade sails for the Community Garden providing a cool, shaded area and wet weather protection making a more welcoming space.

### Pyjama Foundation

With a Community Spirit Grant, we recently supported The Pyjama Foundation in bringing joy and learning to children in foster care through their birthday book program. Our contribution helped deliver 44 personalised birthday gifts, sparking joy and a love of reading.

# Community impact



## RFDS Aviation Training Facility

Two years since the QCoal Foundation announced its commitment of \$3 million in funding towards the RFDS Aviation Training Facility in Bundaberg, we are excited to announce the facility is now in the final stage of completion. With the only full-motion Beechcraft King Air B350/360 Fusion flight training simulator outside the United States, this project is predicted to inject more than \$20 million into Bundaberg's local economy and support approximately 40 full-time equivalent jobs.



## Extension of Principal Partner Agreement

The QCoal Foundation, with QCoal Group, is proud to announce the extension of our long-standing 'Principal Partner' agreement with the Royal Flying Doctor Service of Australia (Queensland Section), now entering its 14th year. This partnership continues to provide crucial funding that underpins the RFDS's extensive and critical services across Queensland.

Our untied funding commitment supports essential infrastructure, training, and the flagship RFDS Dental Service, with QCoal Foundation as a Founding Partner.

Christopher Wallin, QCoal Foundation Chair and QCoal Group Managing Director, shares: "The RFDS are often the first and only health care provider for many people across our State, and we proudly play a role in supporting them. The flexibility of this funding partnership allows the RFDS to direct our funds to those programs that require support."





# Community impact

## James Cook University Scholarship Program

QCoal Foundation is proud to partner with James Cook University ('JCU') to provide the QCoal Foundation Scholarship. Established in 2015, the Scholarship aims to support students who intend to commence study at JCU, with preference given to those from regional and remote communities in Queensland.

The \$30,000 scholarship provides a pathway to further education without the economic challenges that are associated with having to relocate to attend university.

This year, the QCoal Foundation not only awarded its annual \$30,000 scholarship but also granted three additional \$5,000 bursaries to deserving students to study at JCU.

Taylor Dockerty was the 2024 recipient of the \$30,000 QCoal Foundation Scholarship to JCU. Hailing from Emerald, Taylor's dedication to her field stems from personal experience, witnessing the challenges her family faced in accessing speech pathology services in her hometown. She's committed to returning to regional communities post-grad to make a difference.



Taylor Dockerty , 2024 QCoal Foundation Scholarship recipient



QCoal Foundation Bursary recipients

## Queensland Gives Philanthropy Awards

QCoal Foundation was proud to be nominated for the **Philanthropic Foundation of the Year Award** at the 2024 Queensland Gives Philanthropy Awards.

This award category recognises a philanthropic foundation whose grass-roots level of charitable support has impacted the local community.



## Christopher Wallin Prize for Excellence

As the QCoal Group approaches its 35th anniversary we have established the Christopher Wallin Prize for Excellence in Geology. Named after QCoal Group's Managing Director and former Principal Coal Geologist of Queensland, the prize includes a \$2,000 award and paid work placement with the QCoal Group.

Jose Pena Araya was the inaugural recipient of the prize for 2024. Originally from Chile, Jose is a third-year geology student at JCU, having spent time in Mount Isa and is now based in Townsville.

Jose shares how an internship in Mount Isa sparked his interest in the field. "I really enjoyed working in mining geology, but it is exploration that truly fascinates me - the methodology, mapping, and understanding the surrounding country", Jose said. His passion is exactly what the QCoal Foundation aims to support – students who are not only academically gifted but also deeply engaged with their field.



Jose Pena Araya, 2024 recipient of the Christopher Wallin Prize for Excellence in Geology

# Responsible supply chain

## Responsible sourcing and procurement of goods and services through responsible supply chain practices is a key priority of QCoal in supporting local and regional communities.

QCoal Group and our suppliers have an important obligation to a broad range of stakeholders including customers, employees, community groups and governments to ensure ethical and transparent business practices in our supply chain. This extends to operating with integrity, respect for people and consideration of the environment.

Suppliers of QCoal are encouraged to implement and adhere to a broad framework of responsible sourcing practices and principles including:

- Compliance with all laws and regulations, avoiding conflicts of interest and maintaining transparent business practices. Suppliers should operate in a manner that reflects QCoal's core values and which maintains trust and accountability within our supply chain.
- Upholding fundamental human rights, employment conditions and labour standards. This involves ensuring workers are provided with safe working conditions, treated with respect and compensated fairly. We expect zero tolerance for child labour, forced labour and any form of discrimination.
- Transparency and traceability within supply chains by providing clear and accurate information about operations and business practices when requested to do so. This ensures our sourcing is ethical and prevents the use of conflict minerals or unethical sources of labour.
- Environmental stewardship through compliance with all environmental laws and regulations and to implement practices that minimise the supply chain's environmental impact through effective management of water, waste, pollution and emissions.

## Payment Times Reporting

QCoal is required to comply with reporting requirements under the *Payment Times Reporting Act 2020 (Cth)*. The Scheme requires mostly large entities to report on payment terms and practices for small business suppliers with the aim of improving payment outcomes for small businesses.

# 96.4%

Invoice payments to small business suppliers (by value) made within 30 days<sup>1</sup>

<sup>1</sup> For the period 1 January 2024 to 30 June 2024 as reported to the Payment Times Regulator.

## Industry Groups and Associations

QCoal is an active member and contributor to a number of industry associations. This engagement allows us to keep up-to-date with industry trends and best practice, foster collaborative working relationships with industry groups, and leverage technical knowledge and expertise to enhance performance across our operations.

In doing so, we aim to play an important role in contributing to the sustainability of the mining and resources industry in Australia.



The **Queensland Resources Council** ('QRC') is a not-for-profit independent body representing the commercial developers of Queensland's mineral and energy resources to support the long-term sustainability of the sector. The Queensland Exploration Council and Queensland Minerals & Energy Academy are programs and initiatives that sit within the QRC.

QCoal contributes to the **Australian Coal Association Research Program** ('ACARP') which is a mining research program that covers a wide range of areas including production, utilisation, health, safety and the environment.

QCoal participates in the **Low Emission Technology Australia** program which is committed to identify, research and develop technologies to reduce emissions through carbon capture, storage and research and development ('R&D') projects.



# Indigenous outcomes

**QCoal recognises the importance of Indigenous Peoples and is committed to understanding and respecting their rights, interests and perspectives in the communities in which we operate.**

Across the QCoal Group, we strive to enable meaningful engagement with Indigenous Peoples. This includes:

- Speaking out against discrimination and racism
- Expanding the knowledge and understanding of Indigenous culture and experiences
- Working together with our Indigenous stakeholders in pursuit of their cultural, social and economic aspirations

QCoal actively seeks to engage with local Indigenous communities in the areas where we operate to ensure that their perspectives, traditional knowledge and interests are integrated into our decision-making processes.

Through partnerships and capacity building we strive to involve Indigenous community members in environmental stewardship and cultural heritage preservation, fostering a collaborative approach that respects Indigenous rights and promotes shared benefits. By working in collaboration, we aim to create sustainable economic opportunities and enhance the capacity of Indigenous communities.

A key element of our Indigenous engagement strategy involves putting agreements in place with traditional landowners that detail how cultural heritage will be protected and managed on site prior to commencement of mining operations. This also includes ongoing engagement and consultation during the life of the project and compliance with cultural heritage management plans.

We also support initiatives in collaboration with our mining contractors to provide opportunities for Indigenous employment, training and apprenticeships across our mine sites.

**6.6%**

Indigenous employment across our total workforce (including contractors)

**\$865k**

Procurement from Indigenous businesses (goods and services) during FY24<sup>1</sup>

<sup>1</sup> Represents amount paid during the FY24 reporting period on a cash basis. Amounts may differ to disclosures reported on an accrual basis.

## QCoal Foundation Community Spirit Grants

Last year, with a Community Spirit Grant QCoal Foundation supported Kutta Mulla Gorinna ('KMG') (translated as "head and hands we bring" in the Yuwi language), an accredited non-government school tailored for young individuals who have disengaged from mainstream education.

Our grant helped KMG to implement a Sports Challenge Program, designed to enrich the physical fitness and nutritional understanding of Year 9-10 students. Through engaging sessions, the program facilitates improvements in coordination, agility, and fosters a deeper appreciation for nutritious eating habits. Encouraging a sense of achievement and teamwork lay at the heart of the program's success.



Little Diggers Childcare in Collinsville received a QCoal Foundation Community Spirit grant to help fund the purchase of educational resources, including science and discovery value packs, environment play mats, sensory pads, jumbo sensory river stones, and a Yingir People rug. These resources will enhance early education in the local area and support Little Diggers Childcare's mission to nurture young minds through play-based learning.



# Indigenous outcomes

## CASE STUDY - Empowering Cultural Preservation

In April 2024, QCoal Foundation launched the 'Let's Talk Yangga' Language Resurgence Project. Led by esteemed Jangga Elder, Colin McLennan, 'Let's Talk Yangga', also known as Wodjawodja bimbi Yangga, represents the culmination of nearly eighteen months of dedicated effort and collaboration. Colin McLennan, the last fluent speaker of the Yangga language, has worked closely with linguist Dr. Angela Terrill and archaeologist Liz Hatte, supported by a QCoal Foundation Community Growth grant, to meticulously document the language.

The 'Let's Talk Yangga' project revolves around recording the Yangga language and creating resources aimed at preserving it for future generations. These resources include a comprehensive website, serving as a repository for the Yangga language, designed to facilitate its dissemination and teaching to the younger members of the Jangga community.

Uncle Colin expressed his pride in contributing to its realisation and emphasised the importance of passing on his knowledge to keep the language alive, acknowledging that language is a critical component of culture. Through this project, he aims to instil a sense of identity and pride in Jangga culture for future generations with Dr. Terrill stating "Colin's work over the years draws together the land, language and community to strengthen the culture, bring people together, and keep it strong for future generations".

Additionally, we acknowledge how this project sits within the broader context of indigenous language preservation worldwide. UNESCO has declared this decade the International Decade of Indigenous Languages, emphasising the importance of preserving the world's rich cultural heritage.



L-R: Dr Angela Terrill, Sylvia Bhatia, Colin McLennan, Liz Hatte



QCoal Group Managing Director Christopher Wallin with Bindal Elder Prof. Gracelyn Smallwood

# People and wellbeing

**Our people are critical to the ongoing success of our operations and we are committed to providing a caring, inclusive and rewarding work environment for our employees and contractors.**

QCoal Group is an equal opportunity employer which is underpinned by our commitment to ensure that no individual, regardless of their position within the organisation, is discriminated against based on their age, gender, cultural background, language, sexual orientation, marital or family status, political beliefs or physical ability.

QCoal has established a comprehensive framework to support a diverse and agile workforce. In doing so, we strive to build a values-based business which leverages the unique abilities and strengths of our people to achieve our organisational goals. We also strive to create equal opportunities within our workplace to ensure every individual is treated fairly.

In addition to our major contract partners, QCoal maintains a number of key policies to promote a positive and diverse work environment, including:

- Diversity and Inclusion Policy
- QCoal Code of Conduct
- Workplace Health & Safety Policy
- Bullying, Harassment and Discrimination Policy
- Working from Home Policy

## Wellbeing On-Site

Our contractors engage the workforce through effective and thorough induction processes and regular toolbox talks for a range of practices including work operations, road safety, fatigue management, health, wellbeing and personal conduct.

Mental health is also an increasing area of focus for remote workforces. Our approach to mental health focuses on providing comprehensive support systems, promoting a positive work environment and ensuring all workers have access to necessary resources including employee assistance programs when required. We also provide private health insurance packages which offer a range of health and wellbeing services.

## Fatigue Management

Given the demanding nature of mining work and the isolated conditions of remote sites, managing fatigue is essential to prevent accidents, reduce errors and ensure overall wellbeing of employees and contractors. We have put in place Fatigue Management Plans at all of our operations which aim to raise awareness of the causes and effects of fatigue as well as strategies for managing it.

To manage road fatigue, we encourage workers living more than a 45-minute drive from their work site to stay in local accommodation during their shift. We also actively discourage the use of private vehicles to travel to and from each mine site. Instead, personnel are transported by bus from key locations wherever practical. This helps us reduce the number of cars on the road, reduce road fatigue and improve overall workforce safety.

## Key Employment Metrics at 30 June 2024

**1,897** Total employees and contractor headcount

**44.4%** Female representation in senior management positions

**15.0%** Female representation across our operations (including contractors)

**126** Total number of Indigenous employees employed by Contractors across our operations

**7.4%** Indigenous participation rate at our Byerwen mine

**6.6%** Combined Indigenous participation rate across our operations

## Byerwen Special Legislation

During the reporting period, the Queensland State Government passed special legislation, being the new Chapter 12, part 4C of the Mineral Resources Act 1989 (Qld), relating to QCoal's Byerwen mine near Glenden. Under the legislative changes, QCoal is required to transition workers out of a workers' camp at the Mine and progressively "accommodate" them in Glenden with 100 per cent of workers required to be "accommodated" in Glenden from 31 March 2029. The special legislation was part of an Omnibus bill. QCoal is currently working through the practical implications of this legislative change to determine its impact on the Byerwen mine and surrounding communities, as well as the impact of the recent outcome of the Queensland State election which may result in a review of the legislation.

# Health and safety

## Safety Leadership

Through our mining contractor partners, safety leadership is driven by a relentless pursuit for continuous improvement, fostering a safety-first culture and ensuring the well-being of every employee and contractor involved in our operations. Our workforce is empowered to take ownership of safety and to hold themselves accountable for maintaining a safe working environment.

An iterative approach is taken to on-site safety through the integration of operational risk management processes which are consistent with AS/NZS ISO 31000:2018 Risk Management – principles and guidelines. Thorough risk assessments are conducted at all stages of mining operations, including exploration, development, production and closure to identify potential hazards and evaluate the risks associated with different tasks and work areas.

Identified risks are managed through the application of relevant controls including the implementation and ongoing review of safety protocols, training programs and emergency response plans. Continuous improvement in health and safety performance is maintained through regular monitoring of safety performance metrics to assess ongoing progress and to proactively adapt to changing circumstances aimed at elevating safety standards.

Safety performance on site is measured using a range of metrics and indicators. A key lagging indicator used is the Total Recordable Incident Frequency Rate ('TRIFR') which quantifies the number of recordable incidents per one million hours worked. The TRIFR metric is essential for assessing the effectiveness of health and safety frameworks when compared with historical data and industry benchmarks in order to guide continuous improvement efforts.

Total Recordable Incident Frequency Rate	FY24
Byerwen mine <sup>1</sup>	3.16
Northern Hub operations <sup>1</sup>	3.25
Cook Colliery <sup>2</sup>	39.22
<b>Rolling 5-year average TRIFR<sup>3</sup>:</b>	
Surface mining (coal sector)	5.15
Underground mining (coal sector)	26.25

<sup>1</sup> Surface mining

<sup>2</sup> Underground mining

<sup>3</sup> Based on NSW Resources Mine Safety performance report for the coal sector in respect of FY23 (latest available data at the time of reporting).

## First Aid and Emergency Response Management

On-site emergency response management is designed to provide immediate assistance in emergencies, to minimise harm, and ensure a safe working environment for all employees and contractors. Risk assessments are undertaken regularly, and first aid and safety management protocols are implemented in accordance with identified risks. Detailed emergency response plans are developed for various potential scenarios and outline relevant procedures for evacuation, containment and communication.

Roles and responsibilities for emergency response team members are clearly defined with team members undergoing regular training and participation in emergency drills. Communication systems are in place to alert on-site staff and coordinate appropriate response efforts during an incident or emergency. Coordination with external services is also maintained to ensure communication with emergency services, such as fire departments and other first responders, local and regional hospitals and hazardous material response teams.

## Incident and Hazard Reporting

Incident reporting processes on site are designed to capture, document and analyse all workplace incidents to enhance safety and maintain compliance with regulatory requirements. All employees and contractors are required to report any incidents, including near-misses, accidents and safety hazards in a timely manner for swift intervention and risk mitigation. Incidents are diligently investigated, categorised and corrective actions implemented to address the identified causes and to prevent recurrence.

## Safety Systems and Technology

The integration of advanced health and safety systems and technology is vital to improving the safety of employees and contractors on site. Cutting-edge tools and technologies are used across mining fleets to enhance the ability to manage risks, respond to incidents and foster a safer working environment. This includes the implementation of advanced monitoring systems for overload and speed reduction, 360-degree camera technology, GPS and speed tracking, radar collision warning systems, operator fatigue monitoring, traction control, slip/slide and pitch control and fire suppression systems on our mobile plant and equipment fleets.

# Modern slavery and human rights

To ensure compliance with human rights principles, QCoal has developed a Modern Slavery policy and lodges annual Modern Slavery Statements which outline the Group's commitments in accordance with the *Modern Slavery Act 2018 (Cth)*.

Extensive supplier due diligence is also undertaken on all new and prospective suppliers in accordance with QCoal's commitment to guard against modern slavery and other human rights breaches in our supply chain. This ongoing due diligence includes an annual assessment of Tier 1 suppliers and other potential high-risk suppliers within our value chain.

To support our efforts in upholding our commitments, we expect our employees, key contractors, suppliers and stakeholders to:

- Comply with all applicable laws, award and agreements relating to the employment of their workers.
- Comply with all applicable laws relating to modern slavery including the *Modern Slavery Act 2018 (Cth)*.
- Take steps to identify, address and mitigate modern slavery existing in their operations and supply chains.
- Be transparent about modern slavery risks or occurrences, including providing information when reasonably requested to do so.

QCoal remains proactive in its modern slavery risk management with the following actions taken during the financial year:

- Ongoing supply chain analysis through distribution of supplier self-assessment questionnaires.
- Updated our Modern Slavery Self-Assessment Questionnaire ('SAQ') to provide greater insight and capacity to evaluate potential risks of modern slavery in our business and supply chains.
- Publication of third Modern Slavery Statement.
- Evaluation of governance impact from statutory review of the *Modern Slavery Act 2018 (Cth)*.

## Zero

Instances of modern slavery or other breaches identified from due diligence activities undertaken during FY24.

### Human Rights

Recognition and respect for human rights is a fundamental QCoal Group value. Our approach to human rights has regard to the UN Guiding Principles on Business and Human Rights and is supported by the conviction that our business can and should have a positive impact on the lives and rights of workers, customers, suppliers, regional communities and broader stakeholder groups.

We acknowledge that operations could potentially cause, contribute to, or be directly linked to negative human rights impacts through factors outside of our immediate control. As a result, we seek to evaluate, prevent and mitigate any potential human rights risks. We also maintain secure grievance mechanisms across all our operations, including whistleblower protections.

### Corrective Action Protocol

The QCoal Group has adopted a Modern Slavery Corrective Action Protocol which provides guidance in responding to instances of modern slavery identified within our operations and supply chains.

The protocol also informs the actions required to investigate potential modern slavery risk factors as part of the Group's broader efforts around supplier engagement and ensuring appropriate supply chain visibility. The steps in the Protocol are summarised below.

For more information, please refer to the latest Modern Slavery Statement published on our website.



# Tax transparency

## Tax Governance

QCoal Group is committed to upholding the highest standards of financial integrity and transparency, which includes our approach to tax reporting and governance. As a significant Australian taxpayer, QCoal pursues an approach to tax which is principled, transparent and sustainable in the long term.

The key principles of this governing approach are as follows:

- Commitment to ensure full compliance with all statutory obligations, and full disclosure to revenue authorities.
- Maintenance of documented policies and procedures in relation to tax risk management and completion of thorough risk assessments.
- Open and ongoing engagement with revenue authorities, and actively considering the implications of tax planning for the QCoal Group's wider reputation.
- Management of tax affairs in a proactive manner that seeks to maximise shareholder value, while operating in accordance with the law.

Our tax practices are governed by a robust internal framework designed to ensure compliance with all relevant tax laws and regulations.

- We have established strong internal controls and procedures to manage tax risks and ensure accurate and timely lodgement of returns and compliance documentation.
- Our tax function operates with a high level of oversight and is integrated into our overall financial governance framework.
- We engage external consultants to review our tax positions and reporting to provide an independent assessment of our tax compliance where required and helps us identify areas for improvement.
- We undertake ongoing training for key finance personnel to ensure staff are up-to-date with the latest tax laws and regulations, helping to maintain a high standard of tax compliance and ethical conduct across the business.

## Taxes Paid

Taxes Paid <sup>1</sup>	FY24
<b>QCoal and Byerwen Groups <sup>2</sup></b>	<b>\$'m</b>
State royalties	290.6
Corporate income tax	162.1
Other levies and taxes <sup>3</sup>	17.8
<b>Total taxes collected and paid</b>	<b>470.5</b>

<sup>1</sup> Represents amount paid during the FY24 reporting period on a cash basis. Amounts may differ to disclosures reported on an accrual basis.

<sup>2</sup> Combined total for both QCoal Group and Byerwen Group for FY24.

<sup>3</sup> Comprises employment-related taxes which were collected and remitted to the federal government, fringe benefits tax ('FBT'), statutory mining rent, rates and land taxes paid.

During FY24, QCoal Group contributed \$470.5 million to federal, state and local governments consisting of corporate income tax, state coal royalties, employment-related taxes, statutory mining rents and council rates.

Payments of coal royalties to the Queensland State Government represented the largest component of taxes paid for FY24. Corporate income tax paid was the second largest component consisting of monthly pay-as-you-go instalment payments of \$157.4 million. Top-up payments of \$4.6 million were also paid during FY24 in respect of the lodgement of the FY23 group tax returns.

## Income Tax

For the year ended 30 June 2024, the Byerwen Group recorded an income tax expense of \$77.6 million on profit before tax of \$258.5 million. The Group's effective tax rate was 30.0 per cent in line with the corporate tax rate of 30.0 per cent.

In respect of QCoal Group, a profit before tax of \$358.7 million was recorded as at 30 June 2024 with income tax expense of \$60.0 million recognised. This implies an effective tax rate of 16.7 per cent. The difference with the statutory rate of 30.0 per cent is primarily due to the receipt of franked dividends during the period.

FY24 Effective Income Tax Rate	QCoal Group	Byerwen Group
	<b>\$'m</b>	<b>\$'m</b>
Profit before tax	358.7	258.5
Income tax expense	60.0	77.6
<b>Effective tax rate (%)</b>	<b>16.7</b>	<b>30.0</b>



# ESG data tables

Suppliers and Procurement	FY24	FY23
	\$'000	\$'000
Wages paid to employees	\$18,495	\$17,657
Labour paid to mining contractors	\$184,312	\$132,896
Local Queensland and regional supplier spend	\$925,212	\$956,831
Indigenous procurement	\$864	\$479

Supply Chain	FY24	FY23
	No. / %	No. / %
Modern slavery breaches identified	0	0
Invoice payments to small business suppliers (by value) made within 30 days	96.4%	91.4%

Taxes and Royalties	FY24	FY23
	\$'000	\$'000
State royalties	\$290,625	\$363,343
Corporate income tax	\$162,078	\$226,557
Statutory mining rent, rates and land tax	\$8,284	\$6,196
Other	\$9,563	\$7,995
<b>Total taxes and royalties paid</b>	<b>\$470,550</b>	<b>\$604,091</b>

Workforce and Diversity	FY24	FY23
	No.	No.
Employees	75	77
Contractors	1,822	1,756
<b>Diversity</b>		
Female employees	20	22
Female contractors	284	248
Females in senior management roles	4	4
Indigenous employees and contractors	126	122
Trainees and apprentices	30	49
<b>Employee Age Diversity (% of total employees)</b>		
20-30	11%	16%
30-40	20%	24%
40-50	26%	25%
50-60	19%	17%
60+	24%	18%

# ESG data tables

Environment	FY24	FY23
	Hectares	Hectares
Actual rehabilitation performed to date	771	679
Federal and State Biodiversity Offsets	1,990	1,990

Safety	FY24	FY23
<b>Total Recordable Incident Frequency Rate (TRIFR) by mine site</b>		
Byerwen	3.16	5.77
Northern Hub operations	3.25	1.74
Cook Colliery <sup>1</sup>	39.22	10.53

<sup>1</sup> Refer to the 'Health and Safety' section for further details on average industry TRIFR metrics for underground mines in the coal sector.

GHG Emissions	FY24	FY23
	kt CO <sub>2</sub> -e	kt CO <sub>2</sub> -e
Scope 1 emissions	915	713
Scope 2 emissions	82	82
<b>Total Scope 1 and Scope 2 emissions</b>	<b>997</b>	<b>795</b>
Scope 3 emissions	27,007	24,515
<b>Scope 1 Emissions by mine site</b>		
Byerwen	432	332
Drake	244	189
Jax	134	107
Sonoma	6	7
Cook Colliery	99	78
<b>Emissions intensity by Safeguard Mechanism facility<sup>1</sup></b>		
	t CO <sub>2</sub> -e/ROMt	t CO <sub>2</sub> -e/ROMt
Byerwen	0.062	0.053
Drake	0.047	0.038
Jax	0.052	0.048

<sup>1</sup> Represents those facilities with over 100,000 t CO<sub>2</sub>-e in annual Scope 1 emissions.

# ESG data tables

GHG Emissions	FY24	FY23
	kt CO <sub>2</sub> -e	kt CO <sub>2</sub> -e
<b>Sources of Scope 3 emissions (kt CO<sub>2</sub>-e)</b>		
Scope 3 emissions – Upstream	494	443
Scope 3 emissions – Downstream	26,513	24,072
<b>Total</b>	<b>27,007</b>	<b>24,515</b>
<b>Upstream emissions</b>		
1. Purchased goods and services	316	251
2. Capital goods	10	32
3. Fuel and energy related activities	105	101
4. Upstream transportation and distribution	39	35
5. Waste generated in operations	10	8
6. Business travel	-	-
7. Employee commuting	-	-
8. Upstream leased assets	14	15
<b>Downstream emissions</b>		
9. Downstream transportation and distribution	328	473
10. Processing of sold products	11,894	9,157
11. Use of sold products	14,291	14,442
12. End of life treatment of sold products <sup>1</sup>	Not applicable	Not applicable
13. Downstream leased assets <sup>2</sup>	Not applicable	Not applicable
14. Franchises <sup>3</sup>	Not applicable	Not applicable
15. Investments <sup>4</sup>	Not applicable	Not applicable
<b>Total</b>	<b>27,007</b>	<b>24,515</b>

<sup>1</sup> Under the Greenhouse Gas Protocol, entities account for emissions from disposal of an intermediate product, and not the final product. As coke is consumed during the crude steel production process, category 12 is not deemed to be relevant or material. In relation to thermal coal, coal ash is the primary waste product that arises from the combustion of thermal coal. Recycled coal ash is disposed of in surface impoundments, resulting in fugitive emissions of particulate matter which is not within scope of GHG emissions.

<sup>2</sup> Not applicable as QCoal Group does not lease significant downstream assets.

<sup>3</sup> Not applicable as QCoal Group does not have franchised operations.

<sup>4</sup> This category is for reporting emissions from company investments not already reported in Scope 1 and Scope 2.

#### Key Assumptions in calculating Scope 3 emissions

- The chosen approach to derive QCoal's boundary is the operational control approach outlined by the Greenhouse Gas Protocol (2015).
- In determining QCoal's greenhouse gas inventory, all categories across the NGER Scheme and Greenhouse Gas Protocol have been considered.
- The primary activities performed by the entity include coal mining and washing, exploration, product distribution, operation of plant & equipment, procurement, human capital employment and occupation and maintenance of facilities.
- Emissions factors are sourced from a number of datasets. Where available, priority is given to emissions factors based on the *Australian National Greenhouse Accounts*. Alternatively, relevant emissions factors were sourced from the following industry-accepted datasets: IE Lab, Exiobase, UK Department for Environment, Food & Rural Affairs ('DEFRA'), US EPA and Australian Life Cycle Inventory Database Initiative ('AusLCI').

#### Exclusions from Scope 3 emissions evaluation include:

- Intercompany transactions between QCoal Group entities.
- Fuel combustion already accounted for under Scope 1 emissions.
- Purchased electricity already accounted for under Scope 2 emissions.
- Elements where it is impractical to derive a reliable estimate and/or which are deemed to have an immaterial impact on emissions levels.

# Glossary

Term	Description
Australian Coal Association Research Program (ACARP)	A mining research program established in 1992 and funded by Australian black coal producers through a per tonne levy paid on saleable coal.
Australian Carbon Credit Units (ACCUs)	Units of carbon offset credits issued under the Australian Carbon Credit Unit (ACCU) scheme where one ACCU represents one tonne of carbon dioxide equivalent (t CO <sub>2</sub> -e) that would otherwise have been released into the atmosphere.
Australian Securities and Investment Commission	Australia's financial markets conduct regulator. ASIC is responsible for promoting a fair, transparent, and efficient financial system.
Biodiversity Offsets	Biodiversity offsetting is a strategy that aims to compensate for the impacts caused by development projects. It involves the creation, restoration, and protection of habitats in one area to offset the loss of biodiversity in another.
Clean Energy Regulator (CER)	An Australian independent statutory authority responsible for implementing legislation to reduce carbon emissions and increase the use of clean energy.
Climate change	Refers to the long-term changes to Earth's climate patterns, primarily attributed to human activities, particularly the emission of greenhouse gases.
<i>Corporations Act 2001 (Cth)</i>	The principal legislation regulating business entities (primarily companies) in Australia. It regulates matters such as the formation and operation of companies.
Decarbonisation	The process of removal or reduction of carbon dioxide (CO <sub>2</sub> ) from the atmosphere.
Fringe Benefits Tax (FBT)	FBT is a tax that employers pay on benefits paid to an employee in addition to their salary or wages.
Global Warming	Refers to the long-term increase in Earth's average surface temperature.
Greenhouse gas (GHG)	Gases in Earth's atmosphere that trap heat. They let sunlight pass through the atmosphere, but they prevent the heat that the sunlight brings from leaving the atmosphere.
International Sustainability Standards Board (ISSB)	A standard-setting body responsible for the development and implementation of sustainability-related financial reporting frameworks.
Joint venture (JV)	A business arrangement where multiple organisations collaborate and jointly share resources, profits, losses, and expenses for a specific project.
Material	Information is material if omitting, obscuring or misstating it could be reasonably expected to influence investor decisions.
<i>Modern Slavery Act 2018 (Cth)</i>	Legislation requiring businesses in Australia with an annual consolidated revenue of more than \$100 million, to report annually on the risks of modern slavery in their operations and supply chains, and outline actions to address those risks.
National Greenhouse Gas and Reporting (NGER) Scheme	The NGER Scheme is a single national framework for reporting greenhouse gas emissions.
<i>Payment Times Reporting Act 2020 (Cth)</i>	The Payment Times Reporting Scheme requires large businesses and some government enterprises (known as reporting entities) to submit a report on their payment terms and practices every six months.
Royal Flying Doctor Service (RFDS)	An emergency aeromedical organisation providing retrieval and inter-hospital transfer and 24hr emergency services for those living in rural and remote Australia.
Scope 1 emissions	Emissions from sources that an organisation owns or controls directly.
Scope 2 emissions	Indirect emissions from the generation of purchased energy.
Scope 3 emissions	Emissions arising from activities in the value chain that are influenced by the reporting organisation, even though the organisation does not own or have direct control over those assets.
Social Licence to Operate	The approval and support a company receives from society. It is earned by acting responsibly, engaging stakeholders, and aligning with community values.
Whistleblowing Policy	A policy implemented to protect a whistleblower or potential whistleblower from any liability when reporting misconduct or dishonest or illegal activity that may have occurred within that organisation.

# Corporate directory

## **Country of incorporation and domicile**

Australia

## **Business address**

Level 15, 40 Creek Street  
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Australia

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We are open to feedback on how we can improve and enhance our sustainability reporting. Feel free to share your thoughts by contacting us at [info@qcoal.com.au](mailto:info@qcoal.com.au)



**For more information, visit**  
[www.qcoal.com.au](http://www.qcoal.com.au)

