

# Meeting the COVID-19 Challenge

The past year has been defined by a single, historical global crisis. The COVID-19 pandemic has distressed communities across the world, disrupted global markets, and changed the way we interact with one another. The virus has had an impact on every aspect of our business. It not only created disruption and uncertainty, but it also provided us the opportunity to demonstrate our genuine commitment to the health and safety of our employees and their families. We believe the company's stakeholders will remember how they were treated during COVID-19; that we further built our reputation for being concerned about the well-being of our employees and that we distinguished ourselves among our competitors.

As a mining company, Coronado has long had robust enterprise risk management processes that are closely linked to crisis preparedness, management, and resilience. These were put to the test by the pandemic, with heightened risks to manage, including: employee, community and customer health and safety; compliance with health organization directives & relevant employment laws; accelerated digital communications; maintaining strong customer connections; and navigating vulnerable supply chains. All of this needed to happen with urgency while other sectors of the global economy began to shut down, since Coronado was deemed an "essential business" given the importance of metallurgical coal to the production of steel being used by automakers to make much-needed ventilators.

From the beginning, Coronado's key focus was on taking care of our biggest asset – our people, while maintaining a level of productivity to meet the changing demand for steel. With that goal in mind, Coronado put in place extensive measures to protect our workers, their families, and the communities where they live.

## Navigating the Crisis

As an international company, Coronado was quick to recognize the growing threat of COVID-19. In February 2020, we formed a COVID-19 steering committee comprised of senior management (*Executive leadership, Legal, IT, Division Management, Sales, Engineering, Safety, Finance and HR*) to monitor the spread of the virus and to engage in proactive planning. When it became clear that the virus would affect our US and Australian operations differently, the steering committee split into two teams: Australia Operations and US Operations. This allowed us to respond with greater precision and speed to the specific needs and challenges of each operation.

The constantly shifting challenges wrought by the pandemic were extraordinary and unparalleled, from a shortage of sanitizing supplies to dynamic guidance on protecting against community spread and various laws passed to both protect and aid people. As a result, the steering committees initially met daily, discussing rising concerns, identifying likely crisis scenarios and strategies to remain safe, agile, and resilient. To ensure we were making all decisions with the best information available, we established a role on the committee whose responsibility was to monitor all information on the virus from government, medical, and public health authorities. Communication and transparency were essential and everyone on the steering committee was encouraged to and had an opportunity to participate. When faced with enterprise-wide decisions the steering committees only acted after hearing each member's unique viewpoint. This process not only allowed us to proactively address never before seen challenges, but it also ensured engagement and buy-in from all members of the management team. Additionally, several members of the steering committee stepped up and demonstrated increased leadership skills. By relying upon our veteran management team and maintaining our company's strong culture of workplace safety, we provided the best possible response to the dynamic and high stakes conditions of the past year.

## United States

In March 2020, the global demand for steel fell precipitously and the community spread of COVID-19 in the United States began increasing at almost the same pace. The US workforces commute from home to work daily, thereby increasing the risk of community exposure for our employees. Additionally, the US operations

are primarily underground mines and given how one must gain access, it makes social distancing difficult. Moreover, local health care providers made it clear they were unprepared for a possible surge in COVID patients needing medical care or hospitalization. It became clear that we would need to temporarily idle some or all of our US operations to protect our employees and sustain the viability of the company.

Rather than lay employees off, we made the decision to furlough employees instead and maintained their health insurance coverage, at a total cost of \$4.6 million, at a time when healthcare might be desperately needed. Because the US government was in the process of passing what became known as the CARES Act (which expanded unemployment compensation benefits by an additional \$600 a week) we made the decision to postpone the furlough until the effective date of the CARES Act and to build inventory during that time. This allowed us to furlough employees without significant financial impact to their families. Throughout the furlough, Coronado sent text alerts to all employees with communications on anticipated return to work dates and market updates.

Because so many US employees were being furloughed at one time and the duration of the furlough was uncertain, Coronado paid particular attention to the various implicated US employment laws to avoid any allegations of discrimination or having conducted a mass layoff without the required 60-day advance notice.

Before, during, and after the furlough, the steering committees implemented a three-pronged approach to manage the virus and maximize the safety of our employees: **Education, Prevention and Response.**

### *Education*

As a novel virus, information on COVID-19 was continually developing throughout the year. It was vital to the wellbeing of our employees that we communicated the latest and most accurate information on the virus and provided assurances that we were taking all possible measures to protect their health and safety at work, home and out in public.

We constantly monitored the US Center for Disease Control (CDC), the World Health Organization (WHO) and applicable state or local health departments for changes in data, protocols and guidance. All new and developing information was communicated to the steering committee to assist our response to the virus. We continue to engage with authorities and medical experts to maximize the safety of our employees.

In the US, CDC educational material was posted on-site in high traffic areas, mailed frequently and discussed weekly during employee safety meetings. We provided information on how the virus spreads, symptoms, proper handwashing techniques, facemasks, sanitization, social distancing, and more. Informational presentations were made to employees and available through on-site televisions in locker rooms and meeting spaces.

### *Prevention*

Our company's robust history in safety strengthened our ability to respond to the virus and protect our employees. By following the latest guidance from officials and experts, Coronado took every precaution necessary to keep our employees safe and prevent community spread of the virus in our US operations.

In March 2020, we suspended international and domestic business travel and initiated a no visitor policy. If an in-person on-site visit was required, prior approval was needed in addition to daily required temperature checks and a screening questionnaire. Office staff began working from home and in-person meetings switched over to video and teleconference calls. By leveraging our existing, long-term relationships with vendors and finding unconventional new vendors, we were able to begin securing all the necessary supplies to prevent the spread of the virus within our workforce. In April 2020, a company-wide mandatory mask policy was put in place and 2-layer masks were provided to all employees. While there was some localized community resistance to mask-wearing, this policy was driven from the top and enforced throughout the company. We believe that this requirement yielded significant positive outcomes for our employees during the pandemic. Anecdotally, we noted local companies that were not requiring masks reported much more COVID-19 spread among their workforces.

Substantial changes were made to protect our employees at the mines from the moment they arrived. In addition to requiring that employees wear masks as soon as they stepped foot on company property, temperature checks and screening questionnaires were administered to all employees by security at the entrances to all locations. To encourage open reporting of COVID related symptoms we relaxed our absentee policy. We also utilized our HR staff to engage in immediate contact tracing as permitted by employees rather than to wait on overwhelmed public health departments to notify our employees of a possible co-worker exposure.

To adhere to social distancing guidelines, shift start times were staggered by 20-minute intervals to avoid gatherings of more than 14 people. The use of hand scanners to track work hours was suspended. Shared spaces were sanitized in-between use including elevators, locker rooms and mantrips which are used to transport employees in and out of the mine. Communal and high traffic areas were stocked with hand sanitizer and soap. We sourced third-party vendors to clean locker rooms and other areas of high contact in between shifts. Safety meetings are conducted by work unit rather than the entire shift to provide for proper social distancing and minimize exposure.

Equipment was cleaned by their operators at the start and end of each shift using hospital grade disinfectants and sanitizing wipes. Foremen conducted detailed inspections on sanitization procedures of equipment and recorded the disinfection and sanitization of equipment at the start and end of each shift.

Any employees who traveled to virus hotspots for vacations were required to present a negative COVID-19 test result before returning to work.

### *Response*

Safety has always been Coronado's first priority. We recognized that the health and safety of our employees and their families rely on our response to a potential or confirmed case within the workforce. We developed detailed protocols for responding to COVID-19 within our workforce. When called for, Coronado met and often exceeded the recommendations of global, national and local health departments.

Emergency Medical Technicians (EMT's), foremen and managers at each mine site received additional training on how to respond to symptomatic employees. In March 2020, worst case scenario response plans were made for symptomatic employees based on location - underground, surface, prep-plants and offices. The response plans differentiated between employees who have difficulty breathing and those that do not. All teams were set up with isolation kits, consisting of gowns, gloves, masks and goggles for patients and EMTs.

If an employee began to exhibit symptoms while underground, they were sent to an isolated area while EMTs respond. EMTs and employees both wore isolation PPE. If the employee was having trouble breathing, EMTs brought the employee to the surface and placed the employee in an isolation room until an ambulance arrived. Employees that did not have difficulty breathing were sent home with a copy of the CDC guidelines on COVID-19 testing and isolation protocols. Foremen temporarily quarantined the equipment the employee was operating and was responsible for its disinfection. These plans were reviewed weekly with management and employees.

As noted above, Coronado also used health department guidance to develop a contact tracing policy to protect our employees and prevent community spread. If an employee tested positive for COVID-19, we interviewed the infected employee to determine if he/she was willing to have us alert co-workers with whom they had been in close contact. Close contact was defined as any individual who was within 6 feet of the infected employee for at least 15 minutes without a mask and in a 48-hour window prior to the onset of symptoms or a positive test. Those who had close contact with infected employees were instructed to stay home with pay until a negative test was obtained. Employees were required to wait the five-day incubation period before getting tested. While US employment laws permit an employee to decline having this information disclosed to co-workers, to date we have found our employees are as concerned about each other's wellbeing as we are about theirs.

## Managing the Impact

Following the return to work after the furlough in the US, Coronado had to respond to a variety of new challenges: employee realignments and safety, increased positive COVID-19 cases in the workforce, and the emotional impact due to prolonged COVID-19 stress.

### *Employee Realignment and Safety*

Our biggest concern after the furlough was protecting the health and safety of our employees after a prolonged time away from work. As we brought people back, we held additional safety meetings and paid attention to employee’s concerns to further refine our safety response. All employees were retrained on their specific equipment, section and the sanitization procedures for each piece of equipment.

Despite the numerous pressures wrought by the pandemic, Coronado is proud to report that 2020 was our second-best safety performance ever. Lower War Eagle, Eagle #1, Powellton, Elk Lick Loadout, Buchanan Plant, and Toney Fork operations exceeded one year without a lost time injury.

### *COVID-19 Cases in the Workforce*

Following the return to work, community spread in Virginia and West Virginia started to erupt. We began to see positive cases within our workforce.

### **Lost Employee Shifts Due to COVID-19**

<b>Division</b>	<b>Positive to COVID-19</b>	<b>Quarantined</b>	<b>Total</b>
Buchanan	234	567	801
Logan	630	947	1,577
<b>Total</b>	<b>864</b>	<b>1,514</b>	<b>2,378</b>

As employees began to test positive for COVID-19, the safety of our employees became paramount. The contact tracing protocols we established with guidance from local health departments sometimes required us to quarantine entire sections of the workforce until potentially infected employees could demonstrate a negative test result. To handle these vacancies, mine management implemented additional training and safety programs on equipment and tasks across our workforce to increase crew flexibility and to be able to sustain production as demand for our product ramped up. Despite fluctuating work crews and thousands of missed shifts, Coronado was able to meet all production goals, maximize longwall production and ship all committed sales orders.

### *Employee Wellbeing*

The virus has been mentally and emotionally demanding for everyone at Coronado. Social distancing required us to be isolated from our support networks. Management was under stress as they processed and responded to a constantly changing situation. Friends and family members became sick or died from the virus. Unlike Australia, where Coronado has a robust “R U OK?” program, the US employment laws do not support such a program. Therefore, we added an Employee Assistance Program benefit to our health insurance plan to provide employees with free, licensed counselors to help them through what has been an unquestionably trying and difficult year.

### **Australia**

The spread of COVID-19 in Australia has differed greatly from the spread of the virus in the US. The state of Queensland has seen approximately 1,400 total cases since the beginning of the pandemic until April 2021. The combined cases in Virginia and West Virginia over the past year total more than 750,000. Although case numbers in Australia never reached the heights seen in the US, our Australian team was

prepared for every level of spread. We can report that there was not a single positive case throughout our business in Australia, allowing production to continue without interruption.

The workforce in Australia presents unique challenges to achieving workplace health and containment. Employees are on either a Monday to Friday or a rotating seven-day roster. Some travel from surrounding areas and others reside in the local Blackwater community. Those that travel from areas outside of Blackwater stay in company managed accommodation for the duration of their shift, known as villages. Our Australian mines also rely on numerous contractors who contribute significantly to our operations.

In March 2020, we engaged with local, regional, and national health and government authorities to stay up to date on the latest information and guidance on the virus. We communicated frequently with our employees through text, email, and on-site video to share information on the virus and the measures we were taking to protect their health and safety at work. We requested formal response plans from our contractors to ensure they were taking precautions equivalent to those taken by Coronado. We sent well-being newsletters to all employees, which provided guidance on how to work from home and manage the stress brought on by the virus.

Prior to the closing of all borders in Australia, we stopped all non-essential travel. At the start of each shift week employees filled out screening questionnaires. Random temperature checks were administered throughout the week. Third-party vendors were brought in to execute extra cleaning in camps, on-site and in the office. Meals went from self-serve arrangements to prepackaged dishes or additional personnel who served food. The villages were reconfigured to allow for proper social distancing. We increased the number of buses and vehicles to transport employees to the work site, ensuring proper social distancing. Isolation rooms were set up on site and in our offices in Brisbane and the site Emergency Medical Technicians were trained to deal with potential cases.

To aid the Queensland government should contacting tracing be necessary, we recorded the location of all employees during their shifts for a period of several months. This would have equipped the Queensland government in the event of a positive case within our operations.

As of April 2021, our operations in Queensland have nearly returned to normal. We continue to align ourselves with the recommendations of the Queensland government and take all precautions necessary to protect the health and safety of our employees.

## A Return to Normal

After a long and challenging year, the arrival of approved vaccines is the best way to ensure the long-term safety and well-being of our employees and a return to standard operating procedures.

As essential workers, Coronado has worked with government health authorities to ensure that our employees get priority access to the vaccine. We have enacted educational campaigns to provide our workers and their families with the latest and most accurate information on the vaccines. By partnering with local health clinics, we have set up vaccination clinics for our employees. As of the end of March 2021, 390 of our US employees have been vaccinated.

Going forward, we will continue to follow the latest guidance from public health agencies even as more of our workforce becomes vaccinated.

The world is still in the throes of a global pandemic. While we do not know what the new “normal” will be, we will continue to do what we do best: operate some of the safest, cleanest, and lowest cost metallurgical coal mines in the industry.