







## Corporate Responsibility Report 2022

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# A Message from our CEO



Walter J. Scheller, III
Chief Executive Officer



At Warrior Met Coal, Inc., from our Board of Directors down, we are fully committed to being a responsible corporate citizen to our employees, customers, communities, and other stakeholders. Operating as one of the world's largest producers of premium quality metallurgical coal – the key resource required to create steel – we impact multiple points within the global supply chain. We are committed to providing our products in a responsible manner. Our intention is to take the necessary steps to decrease our carbon footprint by reducing greenhouse gas (GHG) emissions and decreasing our consumption of natural resources.

Last year, Warrior committed to partnering with industry experts to develop a comprehensive environmental, social, and governance (ESG) strategy focusing on the following:

- · Preparing Materiality and Risk Assessments
- Creating Trackable and Measurable Goals
- Reducing GHG Emissions
- Reducing Water Usage
- Enhancing Waste Management Procedures
- Enhancing Governance Standards
- Performing a Community Impact Assessment

With these goals in mind, we embarked on a year-long review of our environmental footprint. We have had numerous discussions with key stakeholders including customers, investors, subject matter experts, and trade association taskforce groups to prioritize our efforts in reducing our environmental impacts.

We refocused on our long-term environmental goals and successfully set aggressive, yet achievable targets for decreasing our carbon footprint. Additionally, our efforts have clearly defined our focus on supplying the steel industry with premium quality metallurgical coal to build the future. The targets we established include:

- 50% reduction in GHG emissions by 2030
- 25% water usage reduction by 2030

With safety as our number one core value, we have committed ourselves to creating the safest environment possible for all who enter our facilities. We have consistently been a leader in safety performance as evidenced by our safety incidence rate that has consistently been over 20% better than the U.S. industry rate for underground mining.

We understand that sustainability is a journey and not a one-time effort. As we have made consistent improvements over the previous three years, we have identified additional areas that our stakeholders can expect us to give further attention to, including:

- Improving environmental performance through the addition of innovative third-party partnerships
- · Fostering a diverse and equitable workforce
- Focusing on governance to balance business decisions that equally serve all stakeholders
- Continuing to enhance and strengthen community partnerships by providing jobs, supporting the local economy, and making charitable contributions

Warrior is proud to be a responsible provider of a resource that is building the future of our world, and we thank you for your continued support and interest in our company. Warrior provides the resources required by the world's top metal manufacturers to create premium steel, which in turn is used to build the future.



#### ABOUT WARRIOR

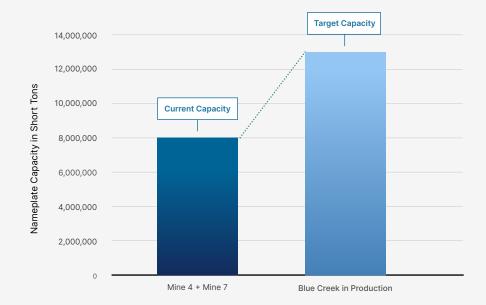
Warrior is a U.S.-based, environmentally, and socially minded supplier to the global steel industry. We are dedicated entirely to mining non-thermal metallurgical coal used as a critical component of steel production by metal manufacturers in Europe, South America, and Asia. Warrior is a large-scale, low-cost producer and exporter of premium quality metallurgical coal, also known as hard-coking coal (HCC), operating highly efficient longwall operations in its underground mines based in Alabama. The HCC that Warrior produces from the Blue Creek coal seam contains very low sulfur, has strong coking properties and is of a similar quality to coal referred to as the premium HCC produced in Australia. The premium nature of Warrior's HCC makes

it ideally suited as a base feed coal for steelmakers and results in price realizations equal to major pricing indices.

Operating safely is a top priority for Warrior. We are committed to the wellbeing of our employees and the continued enhancement of a safety culture, ensuring that all employees return home safely to their families every day.

We believe that long-term success requires a commitment to mine safety, environmental stewardship, and investing in our employees and the communities where we operate. We conduct business ethically and with transparency, adhering to best practices in corporate governance.

#### **Nameplate Capacity Expected Growth**



#### 279 Million

Short tons including coal reserves, resources, and adjacent properties

#### 50 Years

Combined reserves and resources for three mines

#### 63% Lower

Incidence Rate than national rate for underground mines



#### **Premium Quality**

High Coke Strength After Reaction (CSR), high fluidity, high drum index, and low sulfur make our coal a unique blend.



#### **Water Management**

We take the necessary actions to ensure the most responsible use of one of the Earth's most critical resources.



#### Reliable Supplier

We have a proven track record managing complex outbound logistics through the McDuffie Terminal in Mobile, Alabama to meet our customers' needs.



#### Safety

Our unwavering commitment to the wellbeing of employees and visitors is present in every area of our facilities.



#### Shortest Transit Times

We deliver to European and South American markets with exceptional speed allowing our customers to benefit from favorable inventory management and lower working capital.



#### **Well Capitalized Mines**

We make continuous investments in our mines, above normal sustaining capital rates, ensuring that we deliver above and beyond our commitments to our valued customers.

# Metallurgical coal plays a long-term, critical role in an environmentally sustainable world.

Warrior is a producer of premium quality metallurgical coal which is used in the production of premium steel. As steel is a component of everything from rails, buildings, bridges, and electric vehicles, it plays a critical role in our society's growth and future.

Premium quality steel is also necessary to produce key green technologies at the core of global decarbonization initiatives.

The global transition to lower carbon emissions will be fueled by metallurgical coal. Premium quality steel produced using Warrior's coal is vital in supporting growing demand for products foundational to an economy that prioritizes lower environmental impact. Steel is an easily recyclable material, which further lowers carbon emissions.



# Resourcing the Future Safely and Responsibly.

#### **Environmental Performance**

- + Greenhouse Gas Emissions
- Water and Waste Management
- + Biodiversity
- + Reserves

## **Greenhouse Gas Emissions**

#### We work to safely and efficiently produce some of the highest quality hard coking metallurgical coal for our global customers...

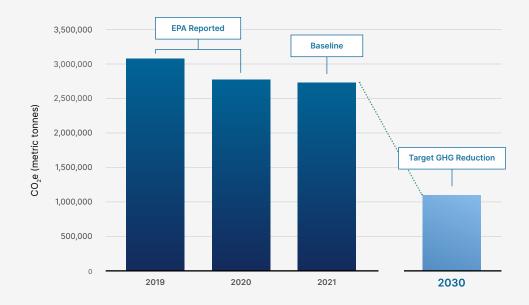
while prioritizing the safety of our employees and minimizing our environmental footprint. The safety of our workforce and sustainability of the environment will always be our primary focus. Through our investments in employee safety and our innovative environmental projects, we expect to reach our human health and environmental targets over time, all of which are principal to our sustained success. This includes accounting for and working to reduce our greenhouse gas (GHG) emissions.

We have completed our first GHG Scope 1<sup>[1]</sup> and Scope 2<sup>[2]</sup> emissions inventory in accordance with the GHG Protocol<sup>[3]</sup>. Employing this widely accepted global standard helps us create a credible and complete accounting of our GHG emissions.

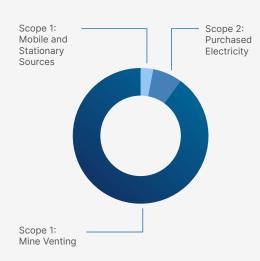
Warrior's GHG emissions include carbon dioxide ( ${\rm CO_2}$ ), methane ( ${\rm CH_4}$ ), and nitrous oxide ( ${\rm N_2O}$ ). Sources include emissions from the coal in the mine and combustion from mine operations, including mobile and stationary equipment as well as electrical consumption. Warrior's most significant GHG emission source is methane, which is required to be expelled from the mine to create safe working conditions (pre-operations degasification and operational and post-operational ventilation air methane (VAM)).

As a producer of premium quality metallurgical coal, Warrior's mining portfolio consists solely of underground mines, which rely on electricity as their principal energy source, in contrast to surface

#### Scope 1 and 2 GHG Reduction Targets by 2030



#### 2021 GHG Emissions by Source (CO₂e)



### Scope 1 and 2 Emissions by Type (% of total CO<sub>2</sub>e)



<sup>[1]</sup> Scope 1 emissions for calendar year 2021: 2.55 million metric tonnes of CO<sub>2</sub>e. Scope 1 emissions include the direct GHG emissions from sources that are owned or operated by Warrior. This includes on-site stationary combustion sources, on- and off-road mobile sources, combustion emissions from product transport by barge, rail, and haul truck, and mine venting emissions.

<sup>[2]</sup> Scope 2 emissions for calendar year 2021: 0.2 million metric tonnes of CO<sub>2</sub>e. Scope 2 emissions include the indirect GHG emissions from electrical consumption generated outside of the reporting facility. The Scope 2 sources included in the GHG inventory include the central offices and labs, Mines 4 & 7 (including fans and preparation plants), Mine 5 preparation plant and supporting facilities, and the operations at the port of Mobile, AL. Gases include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N.O).

<sup>[3]</sup> World Business Council for Sustainable Development & World Resources Institute, The Greenhouse Gas Protocol A Corporate Account and Reporting Standard, https://ghgprotocol.org/corporate-standard

# **Current and Planned GHG Reduction Strategies**



#### **OUR GHG PROGRESS**

- Installed our first flare system to destroy methane vented from open degasification boreholes
- Making plans to install the first full-scale methane destroying Regenerative Thermal Oxidizer (RTO) to address VAM at one of our Mine 7 shaft sites
- Continually navigating stringent and evolving carbon reduction initiatives and regulations on a global scale

operations which rely principally on diesel fuel. As such, Warrior's energy consumption will naturally continue shifting towards the use of renewable and other low-carbon resources.

Warrior aims to reduce GHG emissions by 50% by 2030 from our 2021 baseline year.

Methane is a naturally occurring by-product of metallurgical coal mining. At Warrior, we continually find innovative ways to capture or destroy methane emissions at all stages of our underground mining processes by employing the technologies and practices described below.

Through the process of venting and capturing methane, not only do we protect the environment and reduce our carbon footprint, but we also provide the safest possible environment for our workers underground. In fact, in 2021, approximately 67% of the methane produced in our mines was captured and collected for beneficial use. Once vented, this natural by-product is channeled to our gas plant where we process what would otherwise be vented to the atmosphere. The result is an upgraded gas product that meets industry standards for quality and is made available on the open market.

We also destroy methane and convert it to a GHG with lower global warming potential through the implementation of two technologies discussed below and shown in the graphic to the left. These technologies are employed at focused locations where ventilation shaft sites comprise a majority of the reported company GHG emissions.

In 2021, in conjunction with a third party, Warrior installed its first flare system to destroy methane vented from open degasification boreholes. The results for the initial project were successful, with the flare project and offset compliance credits being verified by the California Air Resource Board (CARB) as part of the California Cap-and-Trade (California Global Warming Solutions) Program. We will continue these efforts and plan to be more aggressive in degasification in the future to help us achieve our reduction targets.

We, with our partner Biothermica
Technologies, Inc., are also planning
to install the first full-scale methane
destroying Regenerative Thermal Oxidizer
(RTO) to address VAM at one of our Mine
7 shaft sites. We are in the final permitting
stages of approval for our first system to
be installed and anticipate the unit to be
fully operational in 2023. The RTO system is
anticipated to result in significant emission
reductions, and we are currently evaluating
other locations at our mines where this
technology would be environmentally
beneficial.



In addition to the innovations we are using to reduce our carbon footprint, we are also optimizing our operational plans to reduce GHG emissions. In conjunction with the development of the Blue Creek Mine and the Mine 4 North reserves, we expect to encounter less methane in the remaining reserves. Prioritizing and developing these resources will be key to meeting our customers' needs while helping us achieve and sustain our emission reduction goals. In addition to our two new development projects, we are also planning to seal a shaft at Mine 4 in late 2023, which is currently our largest source of emissions at this mine. This strategic action will pivot our operations from areas of higher levels of methane toward portions of the reserve with lower methane levels.

With established customers across Europe, South America, and Asia, we are prepared to navigate stringent and evolving carbon reduction initiatives and regulations on a global scale.

Steel markets are expected to play a pivotal role in global decarbonization efforts, and we will do our part by providing our customers premium quality metallurgical coals. These coals have many specific traits such as high CSR values, high fluidity, low sulfur content, and a high drum index, which make them highly valued for certain steelmaking processes. Warrior is exceptionally well-positioned to deliver on this promise given our extensive reserves of premium quality metallurgical coal, our innovations described above, and development of our new Blue Creek Mine. We believe that our efforts to enhance measurement, assessment, and execution of our environmental initiatives will lead to improved performance over time for us and will support our stakeholders as they pursue their goals.

As we move forward, Warrior will focus on meeting stated targets and provide full transparency regarding our progress.

The calculation methodology to estimate future emissions was based on historical gas well production records. The past and future mining reserves have large sets of historical data from which to gather information. These production records of older areas which have been mined can be used to make reasonable assumptions for the anticipated amount of methane which may be encountered in future mining areas. These models will continue to be updated as mining moves into new areas and older areas of the reserve are depleted. The calculations and models have been reviewed externally for accuracy.

At this time, our disclosures do not include GHG Scope 3 emissions. Due to the complexity of our product and customer base, we are evaluating ways to properly identify and estimate Scope 3 emissions and provide a thorough life-cycle analysis (LCA) of our product.

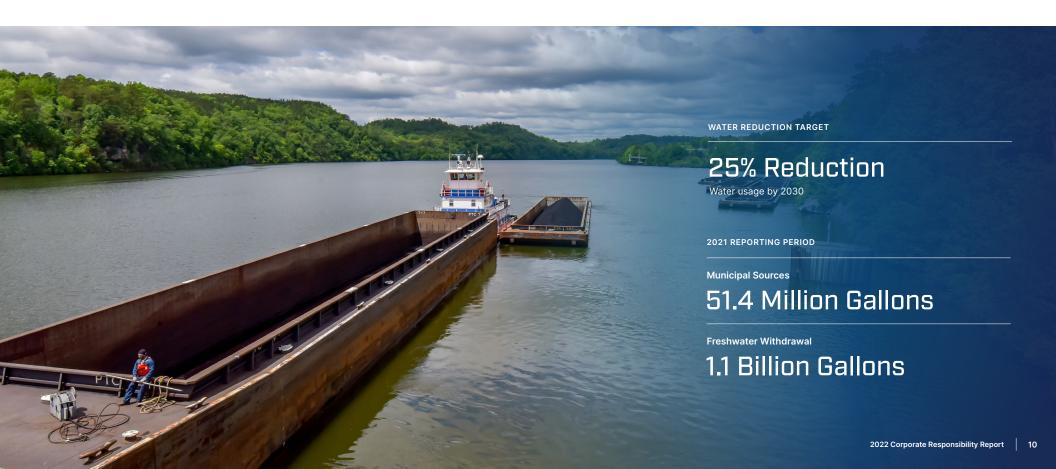
# **Water and Waste Management**

Water is one of our most precious natural resources and a critical resource for our mining process. At Warrior, we never take it for granted and understand that good stewardship of our water resources is critical to our communities, ecosystems, and our mining process. At Warrior, we continuously work to evaluate and test emerging technologies that can optimize our water usage. Freshwater is primarily used for processing coal or sent underground for use in mining operations. This optimizes the performance of our mining machinery and helps create a safer environment

for our workforce. With a commitment to responsible practices, we will continue to focus on reducing our reliance on local water systems. In 2023, we will implement a system to optimize and monitor our water usage and recycling. In addition to improving how we track and measure water consumption, we will strategically draw water from local rivers and springs to store in reservoirs which can be utilized during periods of low flow to prevent possible stress to the local hydrologic balance. These actions, which are foundational to a three-phased water efficiency and

optimization plan developed in 2022, provide an actionable pathway to meet and surpass our previously stated goal of reducing water usage by 25% by 2030.

According to the World Resources Institute (WRI), Warrior does not have any mines operating within or near regions identified with high or extremely high baseline water stress.





#### **Wastewater & Recycling**

Warrior implements a number of processes to minimize water usage. Our operations recycle and reuse water from on-site sources in coal preparation and roaddust suppression. The water we use for processing coal is stored in locations such as non-tailings impoundment structures or various clarifying and settling ponds. Once this water has been clarified through settling or other treatment methods, it is either released back into the natural environment or stored and recycled for various purposes. It should be noted that according to the most recently available information from the WRI, Warrior does not have any mines operating within or near regions identified with high or extremely high-water stress.

Warrior is working with industry experts to test and implement the first stage of a new corporate Environmental Management Information System (EMIS) software in 2023 which will be continuously improved and enhanced over time. The system will include monitoring and tracking for water quality and usage, waste management, and GHG emissions, among other items. This system will also streamline our ability to measure and evaluate our environmental performance data against our stated objectives and goals. The EMIS software will support our existing environmental management policy to attest to the ISO 14001 system.

We consistently pursue zero exceedances and 100% compliance in our water quality program while finding ways to mitigate potential risks and evaluating options for continuous improvement.



with EPA's National Pollutant Discharge Elimination System (NPDES) program for the reporting period ending in Q3 2022

# Waste/Tailings Storage Facility Management

Currently, Warrior controls seven certified tailings impoundment facilities that are subject to MSHA regulations and certification. Of these seven impoundments, six are inactive and classified as low hazard facilities, and all are either already in active reclamation or planned to begin reclamation activities soon. Warrior is partnering with industry experts to review all current and planned tailings impoundments relative to the Global Industry Standard on Tailings Management, which sets a precedent for the safe management of existing and planned facilities, toward the goal of zero human or environmental harm.

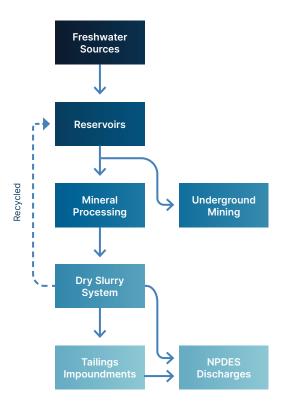
Warrior performs site inspections of each tailings impoundment facility regularly.

We also perform internal and third-party comprehensive spill prevention, control, and countermeasure inspections at our active sites at least once per month.

# Water Efficiency & Optimization Plan

2022

#### **Water Balance**



PHASE I

#### **Sensor Installation**

Our agreement with Innovative Wireless Technologies will initiate our water efficiency upgrade plan to be implemented in 2023. This will involve the installation of a mesh node communication system, which will allow constant and real-time readings of water levels and certain water quality parameters at biologically sensitive locations. This system will also allow for wireless communication in remote areas which were previously unable to be tracked with legacy instrumentation. This is a major step to improve water use efficiency, quality control, and jobsite safety, as it allows company management to monitor, track, and optimize the withdrawal of water from nearby freshwater sources, remotely and in real-time.

PHASE II

# Dry Slurry System **Evaluation**

Overall, our goal is to achieve a 25% reduction in slurry tailings and a 20% increase in our water recycle rate for the Mine 7 processing system by 2025.

Implementation of a "dry slurry" system at Mine 7 is the next step in our efforts to reduce our water usage. We are currently working with a third party on testing a dewatering pilot system which will handle a portion of slurry tailings from Mine 7. Results to date show the dewatering of up to 25% of our slurry tailings, and we are optimistic about its future potential on a larger scale. Additional optimization testing will be performed in 2023.

PHASE III

#### Full System Implementation

By 2030, Mine 7 tailings impoundment dams are scheduled to be permanently deactivated and retired, as the mine will no longer generate slurry tailings as part of standard operating procedures.

This final phase of the plan will include the full-scale integration of the dry slurry dewatering system. This will help reduce tailings-related risks and allow Mine 7 to dewater 100% of the newly produced slurry tailings material and recycle approximately 50% of the previously used process water at Mine 7. Completion of this plan would also allow Mine 7 to discontinue contributing additional slurry to the tailings facilities, further optimizing our operation. While tailings storage will remain a necessity, this plan would help us drastically reduce the amount of water needed for tailings storage. By 2030, we also plan to establish automated controls on the water withdrawal and distribution system, enabling pump use only in times of need.

This will include Slurry Impoundment 14, which is the only high hazard slurry tailings impoundment operated by Warrior, as defined by the Mine Safety and Health Administration (MSHA). High hazard facilities have more strenuous design standards which must be met due to some of the classification criteria, such as proximity to public roads. This facility is currently being utilized as the primary tailings disposal site for Mine 7 but is targeted to become obsolete and deactivated with the implementation of the slurry dewatering system.

# **Biodiversity**

We recognize the importance of our natural surroundings. This is why we work to be the best stewards of the delicate and diverse natural ecosystem located on our properties and within the surrounding areas. We are proactive in mitigating any potential impacts to preserve the region's strong biodiversity legacy. One way we do this is by performing a full internal site inspection at least once per month to identify environmental concerns such as drainage problems. Our operations are regulated by state and federal standards which are enforced by the Alabama Department of Environmental Management (ADEM), Alabama Surface Mining Commission (ASMC), Office of Surface Mining Reclamation and Enforcement (OSMRE), MSHA, United States Army Corps of Engineers (USACE), and United States Fish and Wildlife Service (USFWS).

Warrior's operations are located within the state of Alabama. With more than 6,000 wildlife species, Alabama ranks as the top state east of the Mississippi River in terms of species diversity and has the highest variety in the United States for crayfish, freshwater turtles, freshwater mussels, and freshwater snails. The regional USFWS office reviews all initial permit applications for potential negative impacts to protected species and habitats where we operate. Warrior also plans mining-related activities and environmental studies with the intent to minimize ecosystem impacts. This effort includes protected species such as the northern long-eared bat, the ovate clubshell mussel, and the flattened musk turtle.

Our ADEM-authorized National Pollutant Discharge System (NPDES) discharge permits include quarterly toxicity tests that detect potential water quality issues that could impact local aquatic life. If any evidence of potential impact is discovered, alternative operational plans are activated. Field experts are also consulted during the permitting process to provide guidance related to potential biodiversity impacts.

Only one of our 60 permitted discharge locations, or 1.67% of active and former mine sites, requires perpetual treatment to address acid rock drainage. This permitted discharge is associated with a closed and inactive surface mine which is in advanced stages of reclamation. Passive treatment options are being evaluated for long-term natural treatment of the permitted discharge.

Our commitment to protecting the environment goes beyond state and federal regulatory requirements with our internal environmental audit program.



#### Reserves

We are 100% dedicated to producing hard coking coal for steelmakers around the world. Our premium quality metallurgical coal features desirable specifications such as high CSR values, high fluidity, low sulfur content, and a high drum index. This unique blend is critical to the success of metal manufacturers throughout Europe, South America, and Asia that are building the foundation of our world. Our commitment to ESG practices and ethical business decisions means our customers can trust they are purchasing responsibly sourced coal. Our

ability to deliver our product to European and South American markets with exceptional speed also means our customers benefit from favorable inventory management and lower working capital.

As of December 31, 2021, and under the SEC's new rules governing mineral reserves, specifically subpart 1300 of Regulation S-K under the Modernization of Property Disclosures for Mining Registrants, we had estimated reserves totaling 179.5 million short tons and estimated mineral resources

exclusive of reserves of 49.5 million short tons. Mine 4 and Mine 7, our two operating mines, had approximately 99.4 million short tons of recoverable reserves and our undeveloped Blue Creek mine contained 69.8 million short tons of recoverable reserves and 49.5 million short tons of coal resources exclusive of reserves, which total 119.3 million short tons. We have the ability to acquire adjacent reserves that would increase the total Blue Creek reserves to over 169.8 million short tons.

With more than 50 years of reserves, our track record as a low-cost producer of premium quality metallurgical coal has positioned us to strategically mitigate and absorb market changes and allows us to remain competitive in the metallurgical coal market. As market demand for steelmaking coal remains strong for the foreseeable future, Warrior's disciplined capital expenditure approach positions our company well for continued success.



# People. First.

#### Social

- + Safety
- + Training
- + Human Capital
- Compensation and Benefits
  - Talent Attraction
  - Employee Development and Retention
  - Diversity, Equity, and Inclusion
  - Human Rights
- + Community Engagement
  - Local Communities
  - Indigenous People

SOCIAL

# **Safety**

#### Continuing to foster a culture of safety.

Underground mining carries inherent health and safety risks, including worker exposure to naturally occurring methane from coal seams, other potential physical injuries, and potential health impacts resulting from chemicals used in and waste from mining operations. We've worked hard since beginning operations in 2016 to embed safety in our culture. Today, we remain vigilant in mitigating these risks so our employees can return home safely to their families and the air, land, and water remain safe for the people and wildlife in our community.

Safety isn't just a slogan at Warrior, it is a mindset that we continually cultivate. Our focus on safety is on display throughout our sites. Each meeting begins with a "safety share" where employees are encouraged to discuss an issue that they have observed or that may be on their mind. Safety messages are displayed throughout our offices to remind everyone to always be mindful of the wellbeing of themselves, each other, and the public.

Safety is rooted in our core values. We are proud of our safety record, which includes a safety incidence rate that has consistently been over 20% better than the U.S. industry rate. In 2022, our total incidence rate was 1.74, which is 63% lower than the national total reportable incidence rate for all underground coal mines in the United States of 4.68 for the nine months ended September 30,

2022. We are committed to running our business in a way that keeps employees, visitors, partners, and our local community safe, and our goal is zero safety incidents. This commitment starts with our Board of Directors, carries through all levels of the organization, and extends to our suppliers and partners.

The Board's Sustainability, Environmental,
Health, and Safety Committee's responsibilities
include oversight for Warrior's safety policies and
programs, including adherence to those policies
as well as legal and regulatory compliance. The
Committee monitors health and safety trends, both
domestically and internationally, as well as safety
risks and related mitigation efforts.









Development of our safety goals, policies, and practices is led by our Chief Administrative Officer and Vice President of Safety and supported by all levels of the organization. The Vice President of Safety regularly reports to the Sustainability, Environmental, Health, and Safety Committee to keep the Board apprised of our safety-related efforts and challenges. Additionally, our total reportable incidence rate is a component of our incentive compensation program.

#### At Warrior, safety is everyone's responsibility.

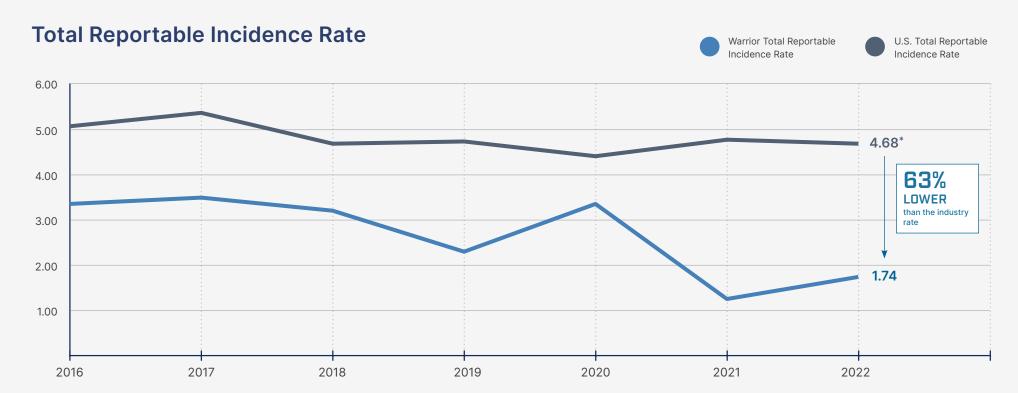
While we have a dedicated team of safety professionals, we expect everyone to be responsible for safety. Our Stop and Correct Authority process empowers anyone who enters

our facilities, including employees and visitors, to stop operations if they observe potentially unsafe behavior. Our entire workforce receives formal safety training annually, in addition to regular safety shares, coaching, and safety audits. In 2021, we had 100% compliance with annual safety training as required by the Mine Safety and Health Administration (MSHA). We also track and analyze near misses, collaboratively develop corrective action plans, and work to reinforce and recognize positive behaviors.

Our commitment and results were recognized by the National Mining Association in 2021, with Warrior receiving a Sentinels of Safety award. This is one of the most prestigious industry honors for safety, awarded annually to mines with a minimum of 4,000 injury-free hours. In addition, in 2021, Edward Boylen, Warrior's Director of Compliance and Safety, received the Outstanding Safety and Training Leadership Award from the Alabama Mining Association which recognized his contributions and commitment to safety and training within the mining industry.



for Large Coal Processing Facility Group



 $<sup>\</sup>ensuremath{^{*}}$  Represents available information for the nine months ended September 30, 2022.

# **Training**

#### There is no substitute for preparation.

At Warrior, we care about career development. Together with our safety culture, our comprehensive training methodologies can be seen at every level of the company. Across every department, our training regimens exceed state and federal government regulations. We incorporate training best practices, provide continuing education, and constantly reinforce individual skills. Whether we are preparing new employees, retraining current employees, or conducting management training for supervisors, we prepare everyone to perform at the highest level while maximizing safety and efficiency.

One of the reasons we have successfully implemented a positive safety culture has been our supervisor

development programs. This not only helps cultivate leaders, it standardizes our training methods and ensures that all supervisors are trained the exact same way. More importantly, this approach guarantees that each trainer is delivering the same information. By doing this, we avoid misunderstandings about how a piece of equipment is to be used or how employees are to conduct themselves during a shift.

In line with a strong commitment to safety, at Warrior, we provide training opportunities that further stress the importance of safety. This supplemental training is paired with our annual retraining reviews and other scheduled training sessions that offer classroom instruction. As part

of our extensive training methods, we use real-world and hands-on simulations that develop readiness should an emergency occur.

In all operations, from equipment to conduct and ethics, we train everyone to work with the highest level of integrity, and we have implemented policies that ensure we are compliant with all laws and regulations. We believe our employees are our greatest asset. It's the reason we invest so much in training and development. Our goal is to offer each of our employees continual career development that helps them to grow professionally and personally, including onsite training, third-party manager training, and leadership development programs.



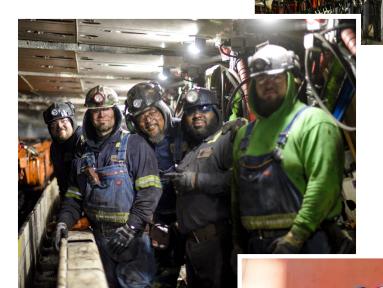
SOCIAL

# **Human Capital**

As of December 31, 2022, Warrior and its subsidiaries employed more than 850 people in Alabama. We recognize that without our dedicated employees, reaching our safety, sustainability, and business goals and targets would not be possible. Our goal is to create an environment where our employees view their employment with Warrior as a long-term career and not just another job. To help foster this goal, we continue to work to promote a professional yet family-oriented environment where all employees are treated with respect, fairness and compassion. We are an equal opportunity employer. Through our recruiting, development, and retention efforts, we strive to build and maintain a highly capable, engaged, and diverse workforce.

The Board's Compensation Committee has direct oversight of our human resource policies and practices, including diversity, equity, and inclusion, employee relations, workplace culture, and talent development and retention.









#### **Compensation and Benefits**

To recruit and retain the best and brightest talent, we have established a top-tier benefits package, which includes competitive salaries and performance-based incentives. The benefits package places the most important aspects of the employees' lives at the forefront by supporting their needs in the areas of medical, prescription, dental, vision, and life insurance, provided at no-cost to the employee. Our employees are also provided the option to participate in a flex spending account for medical expenses, allowing employees to engage in their own health and wellness decisions more fully while also achieving tax advantages.

In addition, Warrior offers full-time employees the opportunity to participate in retirement benefits through a company-sponsored 401(k) account which includes a generous company match. Warrior's total compensation package is designed to stay competitive and to assist in achieving our goals of attracting, rewarding, and retaining employees by always focusing on employees and their families first.

We also recognize the importance of work-life balance and provide our employees with paid time off (PTO). Between generous PTO, company holidays, and idle periods, the average employee had the opportunity to be away from work for approximately 35% of scheduled workdays during 2022,

further demonstrating the company's commitment to support a healthy work-life balance. In 2023, we are launching a volunteer PTO program through which employees will receive PTO to volunteer with organizations or causes that are important to them.

For all full-time employees who need assistance, our company-sponsored Employee Assistance Program (EAP) is available to them and their immediate families. The services are provided by an independent provider with a comprehensive network of accredited counselors and other specialized professionals who provide support on several issues, including mental health, relationships, wellbeing, stress, and personal finances.



# Top 10%

Wage Earners in Alabama

100%

Company Paid Health Insurance Premiums



#### **Talent Attraction**

We acknowledge the importance of developing and growing a strong and diverse workforce. Our policies and practices support diversity and equality. To help achieve this, we engage a broad range of communication channels, tools, and processes to attract highly capable external candidates to generate an experienced and diverse candidate pool. We also work with universities to attract top candidates in key fields, while seeking to develop our in-house talent and providing opportunities for employees to increase their level of responsibility within the organization. We have also elevated our efforts on minority and veteran recruiting by visiting and recruiting from Historically Black Colleges and Universities, growing existing and seeking new partnerships with groups to provide diverse internships, and attending and recruiting at military job fairs.

# **Employee Development** & Retention

We also recognize that employee engagement, development, and talent retention are important factors in maintaining a highly skilled workforce and minimizing time and costs associated with turnover. In addition to the highly competitive compensation and benefits package discussed above, our retention program focuses on valuing employees, their families, and helping each employee

have an appropriate work-life balance. To monitor this balance and other aspects of engagement, we seek candid feedback from employees via an annual employee engagement survey. The results are aggregated and used by management to continually improve our culture and retain our employees.

A variety of development opportunities to learn, grow, and advance within the company, including on-the-job training, company-sponsored training, and leadership training, are available to our fulltime employees. We also offer tuition reimbursement opportunities for those who wish to further their education. These efforts help employees pursue career paths that are both interesting and rewarding, and will also assist in their pursuit of their individual goals, while at the same time helping to develop robust talent pipelines that support broader company succession planning efforts.

For new inexperienced miners, we have partnered with Bevill State Community College to provide new miner training. This three-week course consists of both classroom and simulated mine training. Bevill also offers our experienced miners the opportunity to obtain advanced certifications.

# Diversity, Equity, and Inclusion

We work to foster an environment in which each person can thrive. This includes treating everyone with respect, valuing diversity, and fostering safe and inclusive environments. As demonstrated above, through talent attraction and retention efforts, we actively work towards building a workforce that is comprised of persons with diverse backgrounds and experiences, as we believe that diversity makes us a stronger company.

Warrior's Code of Business Conduct and Ethics and Human Rights Policy promote and support diversity by offering a workplace in which people are protected from harassment and discrimination based on gender, race, age, sexual orientation, and other factors. Employees have the right and are empowered to report issues via several reporting channels, including our third party-managed confidential employee hotline should they wish to remain anonymous.

Our commitment to diversity and inclusion starts at the top with our Board of Directors. We believe the membership should reflect a diversity of experience, gender, race, ethnicity, sexual orientation, and age. As of year-end 2022, our Board was 33% female and 17% racially and/or ethnically diverse. As part of its annual self-evaluation process, the Board considers whether it has the appropriate mix of skills, experience,

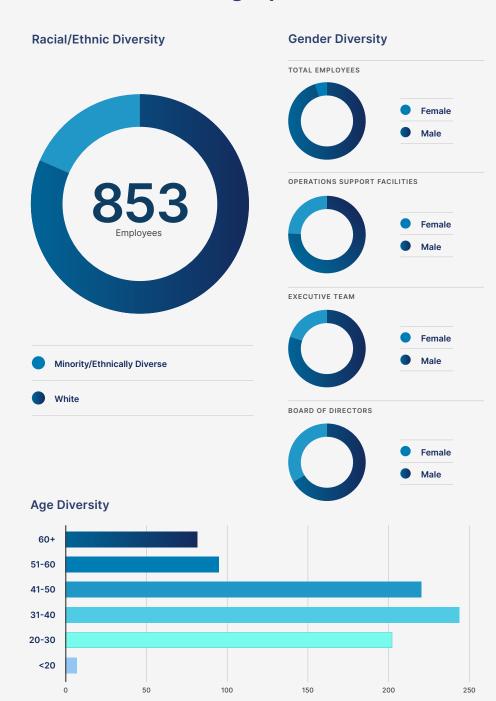
backgrounds, and diversity given our strategy and related opportunities and risks facing the company.

Turning to our employee base, at the end of 2022, more than 18% of Warrior's workforce was racially or ethnically diverse, while almost 5% of the workforce is made up of women. At our operations support facilities, including our Central Mining Office, more than 32% of the employees are women. In addition, Warrior's Executive Management Team is 20% female.

#### **Human Rights**

Respect for human rights is a fundamental value, and we are committed to treating employees and stakeholders with dignity, respect, and equality consistent with the United Nations Universal Declaration for Human Rights. In an effort to ensure a safe and inclusive work environment, Warrior has implemented policies and conducts annual training regarding human rights, anti-bullying, harassment, and discrimination. As of 2023, our expectations for vendors are outlined in the Supplier and Contractor Code of Conduct, the provisions of which are being incorporated into our contracts. In our policies, we have set forth communication channels for employees to report any concerns as well as offering a confidential hotline for employees to report concerns anonymously. This hotline is made available to all employees and is published in several policies, as well as on the company's website.

### **Workforce Demographics**



SOCIAL

# **Community Engagement**

#### **Local Communities**

We understand the importance of making a difference in our community and that the support of our community is essential to our current and future mining operations. Effectively engaging with members of the community is just as important as mining our premium quality metallurgical coal for our customers around the world. In that spirit, we work to proactively foster constructive relationships that are founded on trust, dialogue, and collaboration for the overall benefit of our community. This includes engagement with local schools, landowners, local government officials, and residents many of whom are also Warrior employees or their family members.

Our unwavering commitment to health and safety extends to our surrounding community and the people and wildlife within it, as noted by our environmental performance record. We regularly offer mine tours to help community members and other visitors better understand what we do and the way we do it, as well as to understand



their questions, concerns, and perspectives. These types of activities not only provide education but also create opportunities for meaningful dialogue and interaction.

We also take seriously our role and responsibilities as a major employer in the area. This includes providing good jobs with competitive salaries and benefits, as well as our commitment to help employees achieve work-life balance. Our operations also provide a significant property tax base, which is an important source of revenue for our community. Finally, we are committed to supporting organizations and causes important to the health and vitality of our community by sharing our time, talents, and financial resources.

Our External Affairs group works and engages with trade associations, community partners, non-governmental organizations (NGOs) and nonprofit organizations to provide helpful information and expertise regarding the company and industry.

In 2022, we contributed over one million dollars to local nonprofits through sponsorships and other donations. In 2023, our new volunteer PTO benefit will be available to all full-time employees to enable them to provide hands-on assistance to organizations or causes that are important to them throughout each year.

**2022 CHARITABLE DONATIONS** 

\$1,000,000+

In 2022, Warrior committed over \$1,000,000 in charitable donations to the following organizations:







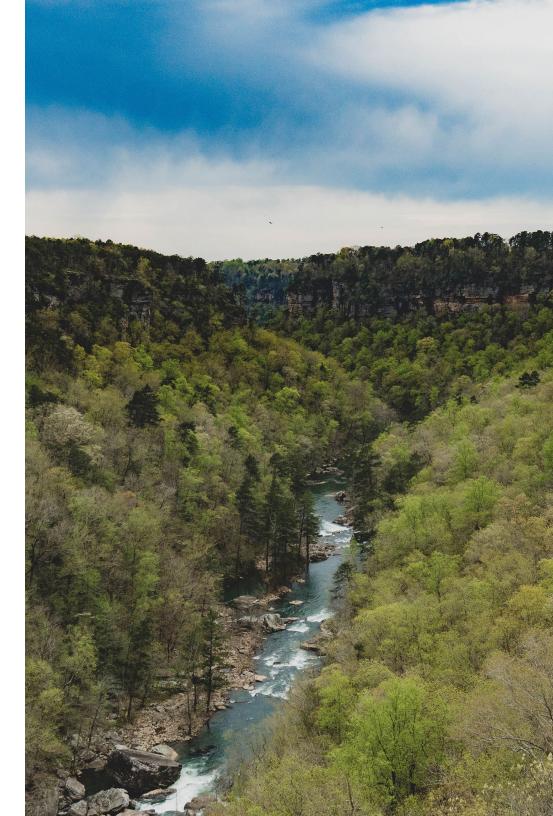




#### **Indigenous Peoples**

We recognize and respect the United Nations Declaration on the Rights of Indigenous Peoples and the human rights policies it embodies, including the principle of free, prior, and informed consent. Warrior coordinates with regulatory agencies to verify that future proposed activities will not adversely impact fragile or historic lands or result in significant damage to important historic, cultural, scientific, and aesthetic values and natural systems as defined by the National Environmental Policy Act (NEPA), The Indian Lands Program, National Historic Preservation Act, and Archaeological Resources Protection Act, among other regulations.

Warrior does not have assets or proven or probable reserves within or contiguous to any sovereign Indian, tribal, or indigenous lands. As outlined in our Human Rights Policy, any protected indigenous lands, sites, or areas of significant cultural or historical importance which could potentially be impacted by mining activities are identified and addressed in accordance with all applicable laws and regulations. In the future, if such lands are identified, consultation would begin early in the process and continue throughout all phases of the mining life cycle, including production, closure, and reclamation.



# Setting the Course for Responsible Progress.

#### Governance

- + Ethics and Compliance
- + Public Policy
- Sustainability
- + Our Stakeholders
- + Public Policy

# **Ethics and Compliance**

We take ethics and compliance seriously and believe it starts with leadership and culture. From our Board of Directors through all levels of our organization, we strive to do the right thing – to earn trust, act with integrity and transparency, treat everyone with respect, value diversity, and foster safe, inclusive environments.

The Board's Nominating and Corporate Governance Committee has responsibility for developing our Corporate Governance Guidelines, recommending qualified Board candidates, and overseeing evaluation of the Board and Warrior's Management Team. Additionally, all four Board Committees play specific and important roles in setting the tone by providing oversight for and fostering a culture of strong corporate governance, ethics, and compliance, as described in the charters on our website.

Regular executive sessions are held with independent directors, and all committees and the full Board conduct annual performance evaluations. It is the responsibility of every director, officer, and

employee to comply with all applicable laws and regulations, all provisions of our Code of Business Conduct and Ethics, Corporate Governance Guidelines, and all other company policies and procedures. Failure to do so or to report violations may result in discipline.

Likewise, beginning in 2023 our contractors and suppliers will be expected to adhere to the Supplier and Contractor Code of Conduct, and report potential violations to the company. We will not retaliate against anyone who, in good faith, reports a possible violation, nor will we tolerate any harassment or intimidation of any employee, supplier, or contractor who reports a suspected violation.

Our confidential hotline is available to report any such violation as well as any questionable accounting, internal accounting control, and auditing practices anonymously and without retaliation. Any reports are to be investigated thoroughly and shared with the Board's Audit Committee.

Committee	Fully Independant
Nominating and Corporate Gorvernance	Yes
Audit	Yes
Compensation	Yes
Sustainability, Environmental Health, and Safety	No



#### Governance

Warrior emphasizes a strong belief in ethical, honest business practices and has established standards of business conduct for all officers, employees, agents, and members of the Board. Our approach to governance is defined by standards which incorporate industry best practices that are in line with our peers. Every day, we work to improve how we facilitate sustainability, growth, and diversification. Our Board

of Directors oversees our company's policies, creating strategies and initiatives that embrace ESG matters. This group thoughtfully grounds our operation in sound corporate governance and strong financial performance to the benefit of all employees, partners, and stakeholders.

At Warrior, we maintain a governing body of talented and dedicated directors with a

diverse mix of expertise, experience, skills, and backgrounds. Our Board is committed to maintaining an environment that is respectful of all human rights, including those of our employees, suppliers, vendors, subcontractors, and other partners and individuals in communities where we operate. Our corporate governance also actively addresses health and safety, the elimination of compulsory labor and human

trafficking, the abolishment of child labor, the removal of harassment and unlawful discrimination from the workplace, and competitive compensation. In support of our commitment, we have incorporated this awareness into our annual training required for all employees.

#### **Board of Directors**

Our Board members are active and former executives of major corporations and individuals with experience in international business, energy and natural resources, operations, finance, and investment banking. For more information on the roles and responsibilities of each of our committees and our board members, visit our website warriormetcoal.com

Name	Tenure	Independance	Board of Directors	Audit Committee	Compensation Committee	Nominating & Corporate Governance Committee	Sustainability, Environmental, Health & Safety Committee
J. Brett Harvey	5.4 Years	Yes	Chairman of the Board		Chairperson	Chairperson	
Ana B. Amicarella	4.1 Years	Yes		Member		Member	Chairperson
Walter J. Scheller, III	6.5 Years	No					Member
Lisa M. Schnorr	0.2 Years	Yes		Member	Member		
Alan H. Schumacher	5.4 Years	Yes		Chairperson	Member	Member	
Stephen D. Williams	6.5 Years	No					Member

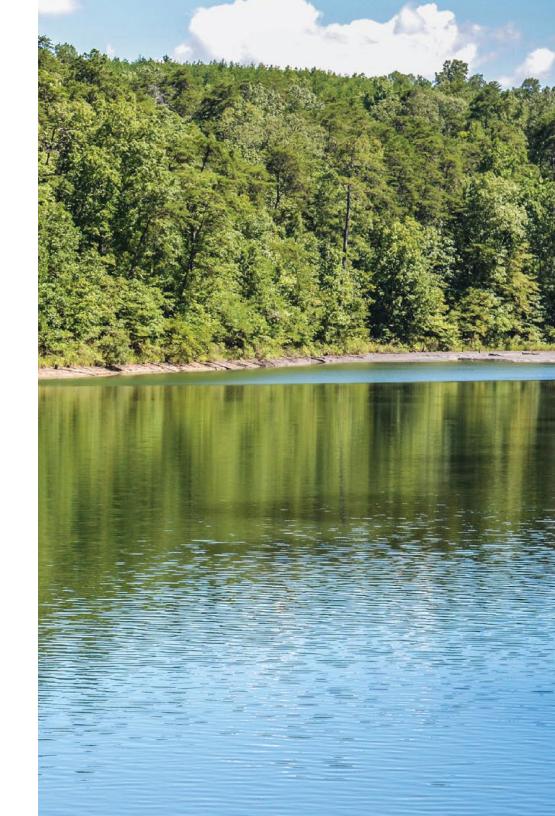
GOVERNANCE

# Sustainability

Our sustainability issues are encompassed and addressed within our overall corporate governance structure. Warrior's Board of Directors has oversight of our corporate strategy, including key sustainability risks and opportunities. Warrior's Executive Team has direct responsibility for all aspects of sustainability, including identification and management of risks and opportunities, policy development and adherence, and reporting. Other Board committees and officers have responsibility for specific environmental, social, and governance issues, including but not limited to:

- The Sustainability, Environmental, Health, and Safety Committee has oversight for overall sustainability-related risks, opportunities, and disclosures. It also has specific oversight for safety and environmental policies, performance, and initiatives.
- The Audit Committee's responsibilities include oversight of Warrior's compliance program, including legal and regulatory requirements, along with the company Code of Business Conduct and Ethics policy, and all other compliance monitoring policies and procedures.
- The Compensation Committee has oversight for executive compensation, workforce culture, talent management, and diversity, equity, and inclusion policies and practices.
- The Nominating and Corporate Governance committee oversees political contributions and action committees, lobbying practices, and trade association memberships.

Policies related to specific sustainability issues are available on our website, including but not limited to business ethics, corporate governance, employee and supplier codes of conduct, and human rights.



GOVERNANCE

# **Our Stakeholders**

We intentionally build relationships across our varied and diverse stakeholder landscape to increase understanding and advocacy for our company, our operations, and our industry. We are active with community partners, customers, elected officials, investors, suppliers, and regulators, giving us a stronger community presence, and fostering goodwill.

To extend our involvement, we invest in community sponsorships. We regularly hold meetings with the investment community regarding earnings, industry trends, and the future outlook of our company. As we align with our stakeholders, we leverage our team's ability to keep them informed and engaged, ensuring long-lasting productive relationships for Warrior as well as our stakeholders.



GOVERNANCE

# **Public Policy**

Achievement of global climate goals requires continued investment in infrastructure and new technologies, which necessitates mining of metallurgical coal and other important resources. We work to play an active role in helping to define how the world can benefit from natural resources and how we can collectively and responsibly deliver on the increasing expectations for our sector. This includes engagement in relevant policy developments.

As a leading provider of premium quality, metallurgical coal for customers around the world, we view part of our responsibility as helping to shape how our industry moves forward in a responsible way. Decisions debated and made at the federal, state, and local levels can have a direct or indirect impact on the success of our business operations and, in turn, our customers and community.

Being involved with industry trade associations is an essential part of Warrior's success. Not only does our participation enable us to have a voice in policies and procedures within the mining industry, but it also gives us the ability to represent and advocate on behalf of our industry and to develop

and maintain constructive relationships with lawmakers and regulators.

We believe it is important for us to take an active role in defining how the world benefits from natural resources. Part of that role includes committing to a heightened focus on the environmental, social, and governance policies that shape how our industry moves forward. By sharing our knowledge, expertise, and perspectives, we strive to help inform decisions that can potentially impact our industry, our company and ultimately our stakeholders.

We also have state and federal Political Action Committees (PAC), which make contributions in compliance with all applicable laws and regulations. Our goal through this work is to help foster the development of policies that are fair, balanced, and conducive to effective business environments.

Only authorized employees are permitted to interact with government officials on behalf of Warrior and, in doing so, they must comply with all applicable laws, regulations, and policies. Additional information related to political contributions and lobbying is available in our Code of Business Conduct and Ethics and Anti-Bribery and Anti-Corruption Policy.









# Sustainability Accounting Standards Board Index

SASB

# **SASB Index**

This report provides the following disclosures in reference to the SASB Coal Operations Standard. Some listed items are partial disclosures. Additional items are being evaluated and will be provided in upcoming public disclosures.

Topic	Accounting Metric	Code	Disclosure Location
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	EM-CO-110a.1	Corporate Responsibility Report, Environmental Performance - Greenhouse Gas Emissions section
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-CO-110a.2	Corporate Responsibility Report, Environmental Performance - Greenhouse Gas Emissions section*
Water	(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	EM-CO-140a.1	Corporate Responsibility Report, Environmental Performance - Water and Waste Management section*
Management	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	EM-CO-140a.2	Corporate Responsibility Report, Environmental Performance - Water and Waste Management section*
Waste Management	Description of waste management policies and procedures for active and inactive operations	EM-CO-150a.8	Corporate Responsibility Report, Environmental Performance - Water and Waste Management section*
Biodiversity Impacts	Description of environmental management practices for active sites	EM-CO-160a.1	Corporate Responsibility Report, Environmental Performance - Biodiversity section
	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation	EM-CO-160a.2	2022 Corporate Responsibility Report, Environmental Performance - Biodiversity section*
Rights of Indigenous People	Percentage of (1) proved and (2) probable reserves in or near indigenous land	EM-CO-210a.1	Corporate Responsibility Report, Social - Indigenous People section
Labor Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	EM-CO-310a.1	2021 Annual Report
	Number and duration of strikes and lockouts	EM-CO-310a.2	2021 Annual Report
Workforce Health	1) MSHA All-Incidence rate, (2) fatality rate, and (3) near miss frequency rate (NMFR)	EM-CO-320a.1	Corporate Responsibility Report, Social - Safety and Training section
& Safety	Discussion of management of accident and safety risks and long-term health and safety risks	EM-CO-320a.2	Corporate Responsibility Report, Social - Safety and Training section

<sup>\*</sup> Partial disclosure in 2022 report

# **Activity Metrics**

Topic	Code	Disclosure Location
Production of Thermal Coal	EM-CO-110a.1	NA – Warrior does not mine thermal coal
Production of metallurgical coal	EM-CO-140a.1	2021 Annual Report

#### **Forward Looking Statement**

This report contains, and the officers and representatives of Warrior Met Coal, Inc. (the "Company") may from time to time make, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this report that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, including our sustainability objectives, commitments, plans, targets, goals and strategies, are forward-looking statements and are based on current market conditions and are therefore subject to change, due to many factors. No representations or warranties are made by us as to the accuracy of any such forward-looking statements. The inclusion of this information should not be regarded as an indication that we consider it to be necessarily predictive of actual future results. The words "believe," "expect," "anticipate," "plan," "intend," "estimate," "project," "foresee," "froject," "foresee," "should," "could," "could," "potential," "outlook," "auidance" or other similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements represent management's good faith expectations, projections, guidance, or beliefs concerning future events, and it is possible that the goals, targets, and results described in the report will not be achieved. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of the Company's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements, including, without limitation, unexpected delays, difficulties, and expenses in executing against the objectives, targets, and commitments set forth in this report; unexpected cost increases or technical difficulties in constructing. developing, maintaining or modifying sites, technologies, or processes; technological innovations; fluctuations or changes in the pricing or demand for the Company's coal (or met coal generally) by the global steel industry; the impact of COVID-19 on its business and that of its customers, including the risk of a decline in demand for the Company's met coal due to the impact of COVID-19 on steel manufacturers; the inability of the Company to effectively operate its mines and the resulting decrease in production: the inability of the Company to ship its products to customers in the case of a partial or complete shut-down of the Port of Mobile: delays in the Port of Mobile expansion being undertaken by State of Alabama; federal and state tax legislation; changes in interpretation or assumptions and/or updated regulatory guidance regarding the Tax Cuts and Jobs Act of 2017; legislation and regulations relating to the Clean Air Act and other environmental initiatives; regulatory requirements associated with federal, state and local regulatory agencies, and such agencies' authority to order temporary or permanent closure of the Company's mines: operational. logistical, geological, permit, license, labor (including strikes and slowdowns) and weather-related factors, including equipment, permitting, site access, operational risks and new technologies related to mining; the timing and impact of planned longwall moves; the Company's obligations surrounding reclamation and mine closure; inaccuracies in the Company's estimates of its met coal reserves; the Company's ability to develop Blue Creek, any projections or estimates regarding Blue Creek, including the expected returns from this project, if any, and the ability of Blue Creek to enhance the Company's portfolio of assets, the Company's ability to develop or acquire met coal reserves in an economically feasible manner; significant cost increases and fluctuations, and delay in the delivery of raw materials, mining equipment and purchased components; competition and foreign currency fluctuations: fluctuations in the amount of cash the Company generates from operations, including cash necessary to pay any special or quarterly dividend; the Company's expectations regarding its future tax rate as well as its ability to effectively utilize its NOLs to reduce or eliminate its cash taxes; the Company's ability to comply with covenants in its second amended and restated credit agreement or the indenture governing its senior secured notes; integration of businesses that the Company may acquire in the future; adequate liquidity and the cost, availability and access to capital and financial markets; failure to obtain or renew surety bonds on acceptable terms, which could affect the Company's ability to secure reclamation and coal lease obligations; costs associated with litigation, including claims not yet asserted; and other factors described in the Company's filings with the U.S. Securities and Exchange Commission ("SEC"), including its Form 10-K for the year ended December 31, 2021 and other reports filed from time to time with the SEC, which could cause the Company's actual results to differ materially from those contained in any forward-looking statement. The Company's filings with the SEC are available on its website at www.warriormetcoal.com and on the SEC's website at www.sec.gov. Any forward-looking statement speaks only as of the date on which it is made, and, except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. New factors emerge from time to time, and it is not possible for the Company to predict all such factors.



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